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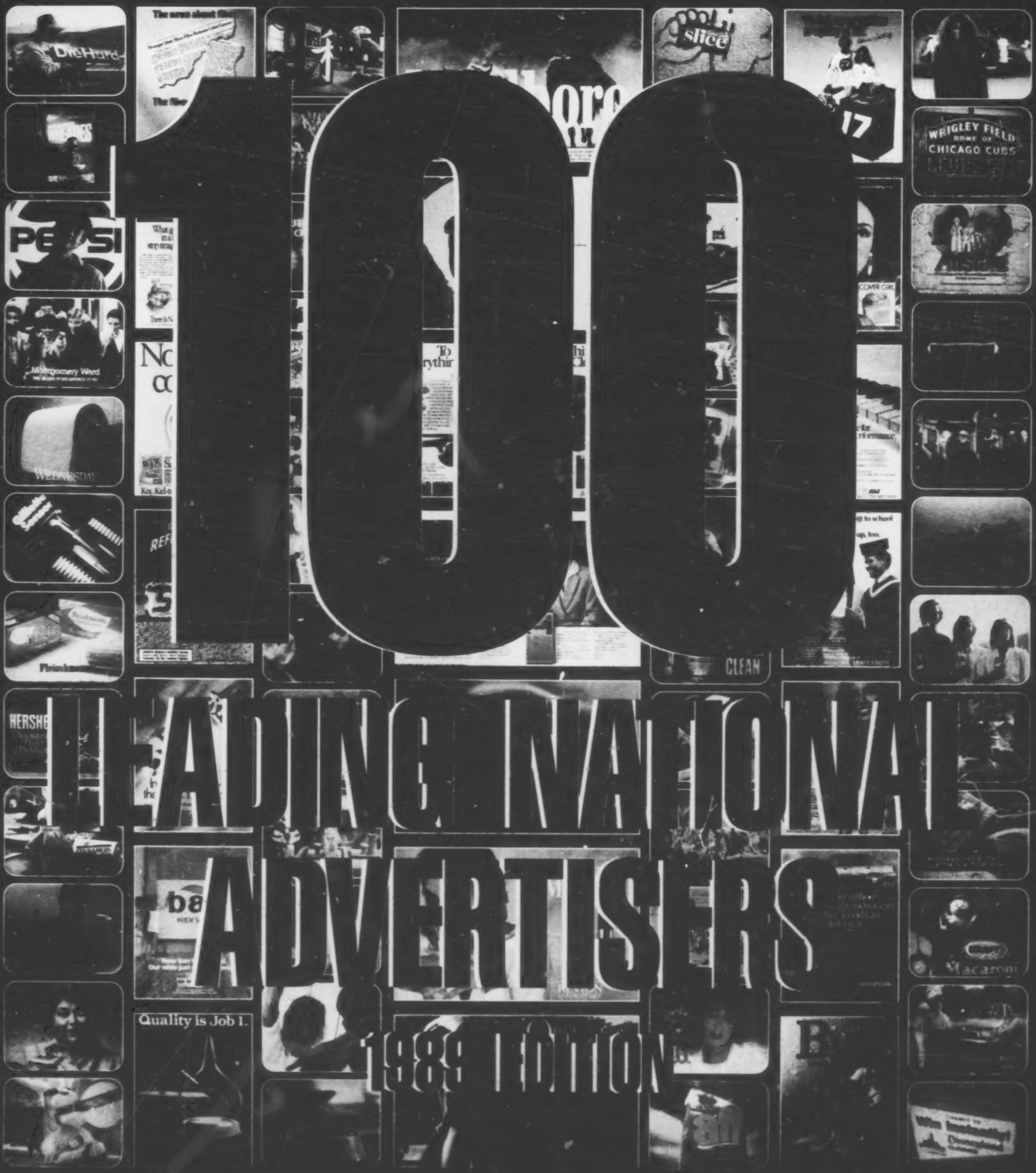
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100 LEADING NATIONAL ADVERTISERS

1989 EDITION

Top 100 boosts ad spending 6.4% to almost $34 billion

Philip Morris again heads the parade; while 30 actually cut ad dollars, many leading marketers lean on line extensions

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By R. Craig Endicott and Kevin Brown

Philip Morris Cos., powered by a heavy investment in advertising and promotion for its Kraft General Foods unit, retained its title as the top U.S. advertiser with expenditures of $2.07 billion in 1989, according to the 35th annual *Advertising Age* 100 Leading National Advertisers report.

Procter & Gamble Co., at $1.78 billion, finished second to Philip Morris for the third consecutive year, although its 7.5% increase moved it closer to PM, whose ad growth rose only 2.2%.

Sears, Roebuck & Co. boosted advertising by 38% to push its "everyday low prices" marketing strategy, and edged out General Motors Corp. for the No. 3 spot.

The top four marketers—the only ones to break the $1 billion advertising barrier—represented almost 20% of the Top 100 total of $33.9 billion, up 6.4%. Price of admission to the Top 100 was $104.3 million, recorded by No. 100 Dr Pepper/Seven Up Cos.

The ad volume increase by the Top 100 dropped slightly from 6.7% growth in 1988. That year, marketers supported only 3.9% more new products than in 1987.

Apart from ad volume, the Top 100's ad efficiency pace-setter was No. 86 Wal-Mart Stores, which generated $203.15 in sales per ad dollar spent. While down 7.2% from the previous year, the total far exceeds the $48.72 from a more diversified Sears, down 11.2%. Wal-Mart's ad expenditure last year was $127.1 million.

Wal-Mart was one of five new entries to the Top 100. Others were No. 81 Circuit City Stores, No. 92 United Telecommunications (US Sprint), No. 96 Daimler-Benz AG and No. 99, Nike Inc.

Dropouts from the Top 100 included American Cyanamid Co., whose sale this year of Shulton USA excludes it from the *Ad Age* tally; BCI Holdings Corp., whose Beatrice food properties are now part of No. 51 ConAgra; and Columbia Pictures Entertainment, now a unit of No. 31 Sony Corp. Ad expenditures for Franklin Mint and Borden Inc. dropped below the 1989 cutoff.

In 1989, new-product growth rebounded, rising 14.2%.

Comparing that new-product volume increase with last year's maintenance-level advance in advertising indicates marketers redistributed dollars within brand lines rather than adding new funds.

National media ad spending accounted for $19 billion, or 56%, of the Top 100 total volume. The remainder was "unmeasured" spending—advertising and promotion not monitored by national tracking services *(see story on Page 2)*.

Network TV accounted for 21.4% of Top 100 spending, growing 2.7% to $7.2 billion. A measure of the Top 100's power in that medium is that 75.8% of all network TV spending came from the group, according to LNA/Arbitron.

The Top 100 propped up the medium in 1989, when spending for all network advertisers actually declined 0.2%. Network TV's dominance among national measured media is being eroded by dramatic increases in syndicated TV and cable TV, which grew 43% and 27.4%, respectively, nationally.

The Top 100 also are leading a first-half 1990 spending spurt in network TV, which in total is up 10.7% to $5.2 billion. Growth in syndicated TV has slowed to 27.3% and cable TV to 15%.

As in 1988, GM poured more ad dollars into network TV than anyone else, $506.5 million, 37.1% of its U.S. media budget.

No. 6 PepsiCo remained the leading advertiser in spot TV—a primary medium for its big restaurant core of Pizza Hut, Kentucky Fried Chicken and Taco

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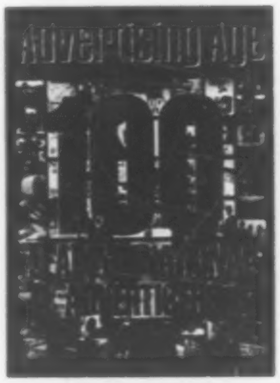

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100 Leading National Advertisers

Rank	Advertiser	Ad spending	Rank	Advertiser	Ad spending	Rank	Advertiser	Ad spending
1	Philip Morris Cos.	$2,072.0	35	R.H. Macy & Co.	$312.7	69	Subaru of America	$159.5
2	Procter & Gamble Co.	1,779.3	36	U.S. Government	309.5	70	Mobil Corp.	156.3
3	Sears, Roebuck & Co.	1,432.1	37	Nissan Motor Co.	300.6	71	Hasbro Inc.	151.9
4	General Motors Corp.	1,363.8	38	Honda Motor Co.	298.8	72	Schering-Plough Corp.	150.2
5	Grand Metropolitan PLC	823.3	39	Campeau Corp.	294.9	73	Citicorp	146.3
6	PepsiCo Inc.	786.1	40	Mars Inc.	293.3	74	Loews Corp.	143.0
7	McDonald's Corp.	774.4	41	Hershey Foods Corp.	288.2	75	Paramount Communications	141.2
8	Eastman Kodak Co.	718.8	42	American Express Co.	267.9	76	Hallmark Cards	138.2
9	RJR Nabisco	703.5	43	Colgate-Palmolive Co.	246.3	77	Seagram Co.	136.8
10	Kellogg Co.	611.6	44	General Electric Co.	243.2	78	E.I. du Pont de Nemours & Co.	133.2
11	Nestle SA	608.4	45	Pfizer Inc.	235.3	79	Bell Atlantic Corp.	132.0
12	Unilever NV	604.1	46	Tandy Corp.	232.7	80	Volkswagen AG	131.9
13	Ford Motor Co.	602.1	47	American Stores Co.	220.0	81	Circuit City Stores	131.2
14	Anheuser-Busch Cos.	591.5	48	MCA Inc.	219.9	82	AMR Corp.	131.0
15	Warner-Lambert Co.	585.9	49	Montgomery Ward & Co.	213.6	83	News Corp.	128.9
16	AT&T Co.	567.7	50	Hyundai Group	212.8	84	ITT Corp.	128.5
17	Time Warner	567.5	51	ConAgra	211.3	85	UAL Corp.	127.3
18	K mart Corp.	561.4	52	U.S. Dairy Farmers	205.9	86	Wal-Mart Stores	127.1
19	Chrysler Corp.	532.5	53	American Brands	204.2	87	Carter Hawley Hale Stores	126.6
20	Johnson & Johnson	487.1	54	SmithKline Beecham PLC	203.2	88	Kroger Co.	125.5
21	General Mills	471.0	55	Adolph Coors Co.	201.0	89	Wm. Wrigley Jr. Co.	124.3
22	American Home Products Corp.	456.1	56	IBM Corp.	196.9	90	Levi Strauss & Co.	123.1
23	Bristol-Myers Squibb Co.	451.6	57	Campbell Soup Co.	196.7	91	Wendy's International	122.4
24	Ralston Purina Co.	429.5	58	Revlon Group	196.5	92	United Telecommunications	121.3
25	Toyota Motor Corp.	417.6	59	B.A.T. Industries PLC	196.4	93	Nynex Corp.	120.7
26	J.C. Penney Co.	407.5	60	Mazda Motor Corp.	196.3	94	Continental Airlines Holdings	119.6
27	May Department Stores Co.	385.7	61	Gillette Co.	185.1	95	Delta Air Lines	116.0
28	Coca-Cola Co.	385.3	62	Philips NV	182.3	96	Daimler-Benz AG	115.5
29	Sara Lee Corp.	357.9	63	Clorox Co.	179.9	97	Bayer AG	112.0
30	Quaker Oats Co.	357.8	64	Goodyear Tire & Rubber Co.	168.3	98	Whitman Corp.	108.4
31	Sony Corp.	356.5	65	CPC International	168.2	99	Nike Inc.	104.6
32	H.J. Heinz Co.	342.3	66	Marriott Corp.	162.0	100	Dr Pepper/Seven Up Cos.	104.3
33	Walt Disney Co.	338.7	67	Dow Chemical Co.	160.2			
34	Dayton Hudson Corp.	314.2	68	S.C. Johnson & Son	160.1			

Note: Dollars are in millions. **AA chart:** Kevin Brown

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Spending up 6.4%

(Continued from Page 1)

Bell. The company spent $264.6 million in spot, up 2.6%. Spot TV spending among the Top 100 grew to $3.7 billion in 1989, up 2.3%. Total spot TV advertising in 1989 hit $9 billion, up 4.9%. During the first half of 1990, spot TV spending on the medium has remained flat at $4.4 billion, up only 1.8%.

The Top 100 contributed 23.7% of all LNA/Arbitron measured expenditures for national newspaper advertising. Retailers among the Top 100 dominated that medium, claiming nine out of the top 10 positions.

The leading advertiser in national newspapers was No. 27 May Department Stores Co., at $230.9 million, up 4.8%.

Philip Morris Cos. dominated magazine advertising with spending of $281.5 million, up 3.7%, about $68 million more than runner-up General Motors.

Revlon Group, No. 58, and E.I. du Pont de Nemours & Co., No. 78, were the only two advertisers among the magazine category's top 25 to devote more than 30% of total ad dollars to magazines.

Consumer magazine ad spending grew a healthy 11.8% in 1989, to $2.9 billion. But growth slid to a dismal 1.8% in first-half 1990 as spending slowed to $3.2 billion.

Hidden in composite growth totals of the Top 100 is the fact that close to one-third actually put less into advertising in 1989 than in 1988. In 1988, 25 showed reduced spending; that number rose to 30 in 1989.

Those companies ranged across categories. Among the eight largely pharmaceutical companies in this report, five spent less. Conversely, 10 of 11 auto companies among the Top 100 showed a collective 14.8% increase. Among automakers only Volkswagen AG cut spending, to $131.9 million, down 6%.

Drug companies tended to shuffle ad dollars within brand lines—to back extensions—rather than add new funds. Bayer AG, No. 97, backed Alka-Seltzer Advance Formula (with acetaminophen) with almost $12 million but spending for the entire Alka-Seltzer line decreased.

Considerable divestitures within the drug industry encouraged lower spending levels. Schering-Plough Corp., No. 72, sold Maybelline Co. and cut advertising 15% on its remaining consumer lines as its focus turned to ethical drugs and their possible over-the-counter conversion.

Ad spending at SmithKline Beecham, No. 54, dropped 21.4% as it sold cosmetics lines in a cost-cutting measure following its merger last year. The intent is to concentrate on prescription-to-OTC movement of drug products. Johnson & Johnson, No. 20, signed a deal with Merck & Co. to move Merck's ethical drugs to OTC.

Kraft General Foods, responsible for more than half of Philip Morris Cos.' total expenditures, entered the year intent on becoming "fat-free" in its food lines. Such a tag could apply just as well to the flurry of new-product growth from all marketers, according to *New Product News*.

The publication reported new products totaled 12,055 in 1989, up 14.2%. There were 9,192 new food products, up 12.3%, and 2,863 new non-food items, up 20.5%.

Health (lower calorie, low-fat, low-sodium and no-cholesterol) was the byword for most of the 694 new entrees/dinners, up 13.2%, led by Healthy Choice from ConAgra, Stouffer's Right Course from No. 11 Nestle S.A. and Le Menu's LightStyle line from No. 57 Campbell Soup Co.

The health & beauty aids category, which grew 15.4% to 2,308 new entries after dropping off 1.9% in 1988 from '87, saw heavy activity in OTC line extensions and cross-category brand expansion. Nowhere was that more evident than at Johnson & Johnson, which in 1989 introduced Tylenol Adult Cold Medication, Tylenol Allergy Sinus and Children's Tylenol Cold remedies.

The pain-relief market was active in new growth from virtually every Top 100 player in the category. Bristol-Myers Squibb Co., No. 23, introduced Excedrin PM and Aspirin-Free Excedrin. Bayer introduced Alka-Seltzer Advance Formula from Miles Inc., a low-sodium, lemon-flavored acetaminophen product.

Heavy new-product activity in household supplies boosted totals to 372 for the year, up 59.7%. Included in the surge were detergents, in particular well-known brands in superconcentrated and bleach-added versions from P&G; No. 43 Colgate-Palmolive Co.; No. 12 Unilever NV; and No. 63 Clorox Co.

Despite the slump in sales and massive debt plaguing the retail industry, ad spending by the 12 retailers in the Top 100 rose 5.3% to $3.2 billion. The group's average sales per ad dollar also increased to $61.28 in 1989, up $2.04.

Wal-Mart's leading sales per ad dollar tally of $203.15 represented a drop of 7.2% from 1988. Wal-Mart prides itself on its parsimonious ad outlay. Much of its advertising, in fact, is vendor-driven.

Other retailers are beginning to take advantage of these manufacturer-supplied dollars. K mart Corp., No. 18, began a "Partnership Marketing" campaign this August jointly funded by the retailer and product marketers.

Co-op spending is part of "unmeasured" advertising, an amorphous total dominated increasingly by sales promotion. This year's sales promotion crown goes to No. 7 McDonald's Corp.

McDonald's developed tie-ins with movies "The Little Mermaid" and "Dick Tracy" and the syndicated TV "Disney Afternoon" with No. 33 Walt Disney Co. McDonald's also cross-promoted Kendall Co.'s Curity Curad First-Aid strips with its Happy Meals and is linking with NBC-TV this fall in a watch-and-win sweepstakes called "McMillions on NBC." ☐

Methodology and sources

Rankings

The 100 Leading National Advertisers are selected from the 200 largest advertisers based on measured U.S. ad spending (see below) in calendar year 1989. Companies spending more than $29.5 million in measured media make up this group of 200. Those companies are ranked by the sum of their measured and unmeasured expenditures. This report profiles the top 100.

Measured media & monitoring services

In this report measured media refers to advertising expenditures in national consumer media that are monitored by LNA/-Arbitron Multi-Media Service (a single service provided by the two companies Leading National Advertisers and Arbitron Co.) and Radio Expenditure Reports, now a part of LNA.

10 measured media

Magazine: Publishers Information Bureau monitors 166 consumer magazines.

Newspaper: LNA/Media Records measures and projects newspaper data to 125 markets for all categories except financial and retail ad spending, which are not projected and represent 41 and 36 markets, respectively.

Sunday magazine: PIB measures four Sunday magazines. Media Records measures 34 and projects spending based on one-time open inch rates to 125 markets.

Outdoor: LNA Outdoor measures poster and paint boards in more than 200 plant operator markets.

Network TV: Arbitron records every minute of ABC, CBS and NBC network TV and calculates ad spending by applying program rates to each spot.

Spot TV: Arbitron monitors TV stations in 75 markets, 17 of which are monitored daily and 58 once a week.

Syndicated TV: Arbitron gathers rates from advertisers and agencies and applies the rates to national spots bought by advertisers.

Cable TV networks: Arbitron monitors Christian Broadcast Network, Cable News Networks, ESPN, MTV:Music Television, USA Network and Superstation WTBS around the clock. Estimated rates are applied to advertisers.

Network radio: Arbitron monitors 17 radio networks.

Spot radio: RER compiles data from national stations' representative organizations, yielding spending for nearly 2,500 stations in more than 200 markets.

Unmeasured spending

Unmeasured spending figures are *Ad Age* estimates and include direct mail, promotion, co-op, couponing, catalogs, business and farm magazines, and special events, to name a few. Corporate annual reports, 10-K forms, corporate sources and *Ad Age* reporters help compute this number. Unmeasured advertising does not include corporate overhead, overseas ad spending or most local ad spending.

Brand spending

Ad spending by top brands presented in tabular form at the top of each profile includes LNA/Arbitron's nine measured media only. To be listed in the tables, a brand must have spending greater than $1 million in 1989. Brand expenditures represent total spending by an LNA designated "tradename" within a PIB subclass.

For example, in the Philip Morris Cos. profile, "Kraft cheeses" and "Kraft salad dressings & mayonnaise" are listed as top brands. The "Kraft" name is considered a trade name by LNA; "cheese" and "salad dressing & mayonnaise" are PIB subclasses. Throughout this report, totals for tradenames within subclasses are called brand spending totals.

Retailers' brands

Among retailers, advertising by a store name in such subclasses as "apparel," "household" and "drugs & toiletries" is considered brand spending. In the K mart Corp. profile, for example, spending by top brands includes "K mart stores sport," which refers only to advertising for sporting goods, while "K mart stores" reflects less specific spending for the entire store.

Sales and earnings

Worldwide, U.S. and division sales and earnings are taken from public documents unless otherwise noted. Exchange rates are given for foreign-based companies, unless the company reported in U.S. dollars. Although ad figures represent U.S. spending only, worldwide headquarters are listed because some large corporate advertisers include divisions which are not related in the U.S. Spending by Philips NV, for example, includes North American Philips Corp. and Polygram Records Corp.

Corporate composition

Parent company totals for advertising spending are pro forma for 1989 and 1988—and include 100% of the ad spending of companies they either acquired or agreed to acquire as of Aug. 1, 1990. Similarly, companies or divisions divested before Aug. 1, 1990, have been excluded.

U.S. Government spending

Ad spending figures for the U.S. Government are compiled from ad agencies of the federal government, rather than the sources listed here.

—*Kevin Brown*

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Merrilee P. Crain *Secretary*	**Joe Cappo** *Senior VP-Group Publisher*

Top 100 entry price: $104 million in ads

Hey, big spenders! Media category leaders: PM tops magazines, syndicated TV, outdoor, spot radio; GM heads net TV; P&G wins cable

RANK: 53

American Brands

New York
Ad spending: **$204.2** million

U.S. ad spending ($ in thousands)

By media	1989	1988	% chg
Magazine	55,079	35,875	53.5
Sunday magazine	14,596	12,257	19.1
Newspaper	2,312	5,365	(56.9)
Outdoor	10,727	11,831	(9.3)
Network TV	7,306	8,027	(9.0)
Spot TV	63	494	(87.2)
Cable TV networks	120	212	(43.3)
Network radio	206	246	(16.0)
Spot radio	321	326	(1.7)
Measured media	90,730	74,633	21.6
Unmeasured	113,500	93,400	21.5
Total	204,230	168,033	21.5
By top brands	**1989**	**1988**	**% chg**
Carlton cigarettes	32,862	24,286	35.3
Malibu cigarettes	16,798	12,181	37.9
Pall Mall cigarettes	8,671	9,445	(8.2)
Acushnet golf equipment	6,975	8,288	(15.8)
Jim Beam	4,644	2,822	64.6
De Kuyper liqueurs	3,520	5,422	(35.1)
Gilbey's	3,058	1,348	126.8
Lucky Strike cigarettes	2,476	408	506.3
Windsor whiskey	2,155	3,191	(32.5)
Master Locks	1,603	1,696	(5.5)

Sales & earnings ($ in millions)

Worldwide	1989	1988	% chg
Sales	11,921	11,980	(0.5)
Earnings	631	580	8.8
U.S.	**1989**	**1988**	**% chg**
Sales	4,522	4,460	1.4
Operating income	880	832	5.9
Division sales	**1989**	**1988**	**% chg**
Tobacco	7,009	7,019	(0.1)
Life insurance	831	923	(10.0)
Distilled spirits	735	759	(3.1)
Office prods	968	883	9.6
Hardware	503	437	15.1
Specialty businesses	1,874	1,959	(4.3)

Annual review

American Brands pulled out all the ad stops for its American Tobacco unit in 1989 in boosting the subsidiary's media spending 33% to $62.8 million, but it was the Jim Beam subsidiary, where ad dollars jumped a bare inflation-matching 4%, that a key repositioning will have an impact on the company's future.

Jim Beam bourbon, which advertising-marketing VP Ralph Hallquist said "did not have a clearly defined consumer personality" until the 1989 campaign, received the largest media support in its history—$4.6 million, up 64.6%.

Results from the campaign, based on a series of often whimsical magazine ads themed, "You always come back to the basics," were immediate and dramatic. The brand moved up from sixth to fifth among liquor brands with a 2.4 share of market (2.3 in 1988), according to analyst John C. Maxwell Jr. of Wheat, First Securities, on a volume increase of 0.8%. Earlier this month, the $14 million Jim Beam Brands account was consolidated at Fallon McElligott, Minneapolis, from portions at BBDO and Cramer-Krasselt, both Chicago.

Also lacking in personality were Gilbey's Gin and Windsor Canadian Supreme whiskey, gained in the acquisition of the distilled spirits divisions of National Distillers in 1987, which slipped at a rate greater than the industry sales overall decline of 2.7%.

Gilbey's dropped to No. 31 from No. 26 as its case depletions slipped 10.4%, producing a market share of 0.7%, down a tenth. Windsor dropped two positions, to No. 16, on a 9.1% decline in case depletions that produced a share of 1.3%, off a tenth. Media backing for Gilbey's gin was $3.1 million, more than double the prior year spending, while Windsor got $2.2 million, down 31%. New campaigns for both began late in the fourth quarter of 1989 and peaked in March 1990.

This year, Kamora coffee liqueur, previously unadvertised, and De Kuyper cordials—backed by $3.5 million in media in 1989, down 35%—will be repositioned. The latter saw a national rollout of three flavor extensions in 1989—BlueBerry, ButterShots and WilderBerry. As a result, overall spending is expected to increase this year.

Also in 1989, American Brands purchased Whyte & Mckay of Glasgow and began distributing The Dalmore, the company's single-malt (as opposed to blended) Scotch whisky in the U.S.

American Tobacco's share of the tobacco market dropped from 7% to 6.9%, as its share advanced one point to 7% among price-value brands but dropped to 6.9% from 7.1% in the standard price category, according to Mr. Maxwell.

American Tobacco's cigarette sales were up only because international sales were strong. American Tobacco's U.S. sales were down 3% to 36.9 billion units, while foreign sales were up 12% to 49.1 billion, according to Kidder, Peabody & Co.

Much of the new ad muscle was put behind price-value offerings—a category equal to about 15% of the market, including American Tobacco's second largest brand outlay of $16.8 million for Malibu, up 38%. Backing for Malibu (a full-price but heavily couponed brand) was mostly in consumer magazines and Sunday magazines. The brand, which got a line extension in Malibu Ultra Lights, increased in market share from 0.5 to 0.6%.

Newly-introduced American cigarettes, with media support of $843,000 in consumer magazines and newspapers, claimed a 0.4% share of market in its first full year.

Another value-price brand, Montclair, rolled out nationally in March 1989, but no media support was provided in 1989.

As the non-filter category continues to decline, taking the once top-performing Pall Mall with it, the company placed virtually all its advertising against the filtered versions of the brand.

Carlton filters pulled the largest American Tobacco expenditure of $27 million, up 20%. Its dominant media, too, were consumer magazines and Sunday magazines. Carlton's market share showed no growth at 1.7%—the company's biggest market share contributor.

Carlton and Malibu spent $2.2 million and $4.3 million, respectively, in outdoor—American Tobacco's two heaviest users of the medium.

AB's Acushnet golf clubs and balls continue to draw heavy media support of $7 million, down 15.7%. Advertising for Foot-Joy golf accessories dipped 17% to $2.4 million.

Headquarters

American Brands
1700 East Putnam Ave.
P.O. Box 819
Old Greenwich, Conn. 06870-0819
(203) 698-5000

Division

American Tobacco Co.
Stamford, Conn.

Corporate personnel

C.H. Mullen, chmn-pres-ceo.

Marketing personnel

W.J. Moore, exec vp-mktg; R.E. Smith vp-brand mgmt; D. Wogerbauer, dir-mktg research; J.J. Mellett, media & consumer promo dir; M.J. O'Neill, mktg devel dir; C.E. Willoughby, mktg research mgr; M.G. Holmes, research analyst; K.P. Noone, assoc media & consumer promo dir; W. Degenhardt, asst to media dir; G.P. Maresca, media planner; J.L. Flavin, asst media planner; J.M. Ockers, dir strategic planning & new prods; T.M. Keane, sr prod mgr; M.J. Burns, prod mgr-Lucky Strike; E.A. Ashkin, prod mgr-Carlton; C.J. Brown, prod mgr-Malibu; J.M. Murray, prod mgr-Pall Mall; J.E. Vyse, mktg budget & planning mgr; D.S. Johnston, exec vp-sales; E.J. Gesell, vp-exec sales.

Brands

Carlton, Pall Mall, Tareyton, Silva Thins, American Lights, Malibu

Ad agency: Lawrence, Charles, Free & Lawson, New York. Albert Magnane, exec vp; Douglas Bomiesler, vp.

Lucky Strike

Ad agency: Clarion Marketing Communications, Greenwich, Conn. Howard Goldfrach, sr vp; Mike Bedell, acct super.

Division

Franklin Life Insurance Co.
Springfield, Ill.

Marketing personnel

Tom Byerly, sr vp-mktg; David Vanselow, vp-comms.

Brands

Franklin Life Insurance Co.

Ad agency: Squires Advertising Agency & Art Studio, Springfield, Ill. Stan Squires, vp.

Division

Jim Beam Brands Co.
Chicago

Marketing personnel

Allen Susna, exec vp-sales & mktg; Ralph Hallquist, vp-mktg & adv; Michael Lintner, grp prod dir-bourbons & whiskies; Ed Moser, grp prod dir-cordials & white goods; Nancy Albert, comms dir; Gayle Seinfeld, media mgr.

Brands

Jim Beam bourbon, Gilbey's gin, DeKuyper cordials, Windsor Canadian, Pusser's rum, Beam decanters, San Tropique, Old Grand-Dad bourbon, Kamora, imports & specialties

Ad agency: Fallon McElligott, Minneapolis. Joseph Culligan, mgmt super.

Division

ACCO/Swingline
Wheeling, Ill.

Marketing personnel

Gordon L. Zdeblick, vp-sales & mktg, commercial prods div; William S. Carvell, vp-gm, retail prods div; J. William Hubbell, mktg dir-genl office prods; Duane Ischay, mktg dir-information processing prods; Fred Weiss, vp-mkt devel & admin, Swingline; Alan Green, mktg dir-Swingline.

Brands

Computer accessories & furniture, general office products, staplers

Ad agency: E.H. Brown Advertising, Chicago. John Derbick, acct exec.

Division

Day-Timers Inc.
East Texas, Pa.

Marketing personnel

Mark LaDouceur, vp-mktg; Keith Snyder, dir-adv.

Brands

Time management products

Ad agency: Della Femina, McNamee, Chicago. Geoffrey Charlton-Perrin, pres-exec creative dir; Tom Lewy, vp-acct super.

Division

Kensington Microware
New York

Marketing & in-house adv personnel

Pamela A. Miller, pres-coo, Peter DuPont, vp-sales; Catherine Ullmann, creative dir; Jeff Hunter, art dir.

Division

Perma Products Co.
Dallas

Marketing & in-house adv personnel

Melinda Denny, adv coord.

Division

Vogel Peterson
Garden Grove, Calif.

Marketing personnel

Joellen Englehardt, prod mgr; Charles Summers, dir-mktg.

Brands

Office furniture

Ad agency: McKee Advertising, Elk Grove Village, Ill. Tom Behan, pres; Bill Makely, vp-pr.

Division

Wilson Jones Co.
Chicago

Marketing personnel

Gregory A. Carlson, dir-mktg; Paul Barret, mktg mgr; Jeannette Marsland, new prod devel mgr; Richard Lange, information systems mgr-financial dept; Marvin A. Rosenfeldt, adv mgr.

Brands

Wilson Jones office products

Ad agency: Storey, Gordon & Freere, Chicago. Jane Storey, pres.

Division

Master Lock Co.
Milwaukee

Marketing personnel

Peter U. Jung; vp-mktg & sales; Jeff Anderson, dir-mktg; James Donegan, dir-sales.

Brands

Consumer trade adv

Ad agency: Cramer-Krasselt, Milwaukee. Paul S. Counsell, chmn-ceo; William Faude, acct super.

Division

AristoKraft Inc.
Jasper, Ind.

Marketing personnel

Gary Lautzenhiser, sr vp-mktg & sales.

Brands

AristoKraft cabinets & vanities

Ad agency: Juhl Advertising, Elkhart, Ind. Howard Blackwood, pres; Steve Blaising, vp.

Division

Waterloo Industries
Waterloo, Iowa

Marketing personnel

John Trebel, vp-mktg & sales; Mike Strickland, dir-mktg svcs; R.C. Wojan, dir-intl sales, dir-professional grp; Michael Quilline, dir-consumer div.

Brands

Waterloo tool storage prods

Ad agency: Connell Communications, Waterloo, Iowa. Connie Sisson, pres; Betty Hellman, sr vp.

Division

20th Century Cos.
Wheeling, Ill.

Marketing personnel

John Wills, vp-mktg & sales; Vince Pellettieri, vp-natl hardware accts.

Brands

20th Century plumbing & repair products

Ad agency: McKee Advertising, Elk Grove Village, Ill. Ted McKee, pres; Ken Krause, acct exec.

Division

The Moen Group
Elyria, Ohio

Marketing personnel

Steve Overgaard, sr vp-sales & mktg, asst gm-N. American Operations; Ed Hughes, vp-mktg; Jim Donmoyer, sr-vp, Consumer Products Div.; Vince Otrusina, vp-sales, Moen Wholesale Grp.

Brands

Moen kitchen & bathroom faucets

Ad agency: Griswold, Cleveland, Ohio. Patrick J. Morin, pres; William Day, acct super.

Division

Acushnet Co.
New Bedford, Mass.

Marketing personnel

Titleist and Foot-Joy Worldwide: David E. Overmyer, vp-mktg; Gerald M. Bellis, sr prod mgr-golf balls; David S. Noyes, sr prod mgr-golf shoes; John B. Hoeflich, sr prod mgr-golf clubs; Kenneth J. Kotowski, sr prod mgr-golf gloves; Mary Lou Bohn, sr comms mgr. Rubber Div: James G. De Mello, sr vp-sales & mktg.

Brands

Titleist, Foot-Joy

Ad agency: Della Femina, McNamee, Boston. Michael H. Reingold, pres; Richard L. Britton, exec vp; Ronald M. Lawner, exec vp-creative dir.

Guide to profile information

Fictitious Barrel of Brands Corp. ranks 22nd among 100 Leading National Advertisers picked by *Advertising Age* in this issue. Boston-based BOBC spent $500 million on advertising in calendar year 1989, according to AA estimates.

Ad spending figures by media—given in thousands of dollars in the tabular breakout beneath the box—include expenditures measured by media monitoring services and unmeasured advertising estimated by AA.

Brand spending includes LNA/Arbitron's nine measured media only: magazine, Sunday magazine, newspaper, outdoor, network TV, spot TV, syndicated TV, cable TV networks and network radio. They include all spending within Publishers Information Bureau category by an LNA designated tradename. (See Page 2 for methodology and sources.)

BOBC's sales and earnings—given in millions of U.S. dollars—represent the company's latest fiscal yearend, which is noted beneath the data if it is not a calendar year. Exchange rates are given for foreign companies unless figures were reported in U.S. dollars.

Worldwide and U.S. sales, earnings and operating income are taken from public documents unless otherwise noted. Division sales are the business segments as defined by BOBC and include revenues for comparable years.

RANK: 22

Barrel of Brands Corp.

Boston
Ad spending: **$500.0** million

U.S. ad spending ($ in thousands)

By media	1989	1988	% chg
Magazine	50,000	40,000	25.0
Network TV	200,000	150,000	33.3
Spot radio	200,000	150,000	33.3
Measured media	450,000	340,000	32.4
Unmeasured	50,000	45,000	11.1
Total	500,000	385,000	29.9
By top brands	**1989**	**1988**	**% chg**
Brand X coffee	20,000	15,000	33.3
Acme pain reliever	20,000	15,000	33.3

Sales & earnings ($ in million)

Worldwide	1989	1988	% chg
Sales	12,000	10,000	20.0
Earnings	1,500	1,000	50.0
U.S.	**1989**	**1988**	**% chg**
Sales	8,000	6,000	33.3
Division sales	**1989**	**1988**	**% chg**
Food	5,000	4,000	20.0
Consumer healthcare	1,000	800	20.0

RANK: 42

American Express Co.

New York
Ad spending: **$267.9** million

U.S. ad spending ($ in thousands)

By media	1989	1988	% chg
Magazine	29,675	27,816	6.7
Sunday magazine	1,797	1,783	0.8
Newspaper	19,317	30,050	(35.7)
Outdoor	356	41	767.1
Network TV	74,340	76,961	(3.4)
Spot TV	43,985	24,189	81.8
Syndicated TV	4,648	1,781	161.0
Cable TV networks	2,711	2,733	(0.8)
Network radio	4,136	3,681	12.4
Spot radio	8,666	5,861	47.9
Measured media	189,629	174,894	8.4
Unmeasured	78,300	72,200	8.4
Total	267,929	247,094	8.4
By top brands	**1989**	**1988**	**% chg**
Am. Ex. credit card svcs	123,802	103,386	19.7
Am. Ex. traveler's checks	27,173	26,068	4.2
Shearson Lehman Hutton brokerage	14,054	19,066	(26.3)
American Express travel service	11,704	11,635	0.6
Shearson Lehman Mortgage	1,258	2,521	(50.1)

100 leading national advertisers by 1989 U.S. ad spending

Rank			Total U.S. ad spending			Measured media		Worldwide sales		Worldwide earnings		U.S. sales		U.S. sales/ad dollar	
1989	1988	Advertiser, headquarters	1989	1988	% chg	1989	1988	1989	1988	1989	1988	1989	1988	1989	1988
1	1	**Philip Morris Cos.**, New York	**$2,072.0**	$2,028.4	2.2	$1,124.7	$1,101.0	$44,759.0	$31,742.0	$2,946.0	$2,337.0	$31,233.0	$20,866.0	$15.07	$10.29
2	2	**Procter & Gamble Co.**, Cincinnati	**1,779.3**	1,655.8	7.5	965.8	898.8	24,081.0	21,398.0	1,602.0	1,206.0	14,962.0	13,312.0	8.41	8.04
3	4	**Sears, Roebuck & Co.**, Chicago	**1,432.1**	1,031.4	38.8	561.4	404.3	53,794.0	50,251.0	1,509.0	1,454.0	53,794.0	50,251.0	37.56	48.72
4	3	**General Motors Corp.**, Detroit	**1,363.8**	1,290.6	5.7	999.1	945.5	126,931.9	123,641.6	4,224.3	4,856.3	93,878.4	88,745.1	68.84	68.76
5	5	**Grand Metropolitan PLC**, London	**823.3**	754.6	9.1	375.1	343.8	15,567.1	10,681.6	863.9	744.1	6,228.2	3,114.6	7.57	4.13
6	9	**PepsiCo Inc.**, Purchase, N.Y.	**786.1**	710.9	10.6	506.4	458.0	15,242.0	12,533.0	901.0	762.0	12,519.4	10,550.6	15.93	14.84
7	8	**McDonald's Corp.**, Oak Brook, Ill.	**774.4**	728.1	6.4	431.8	406.0	6,142.0	5,566.0	727.0	646.0	3,923.0	3,716.0	5.07	5.10
8	7	**Eastman Kodak Co.**, Rochester, N.Y.	**718.8**	732.2	(1.8)	235.9	240.3	19,398.0	17,034.0	529.0	1,397.0	10,869.0	10,024.0	15.12	13.69
9	6	**RJR Nabisco**, New York	**703.5**	740.9	(5.0)	386.3	406.8	12,764.0	12,635.0	2,016.0	1,924.0	NA	NA	NA	NA
10	16	**Kellogg Co.**, Battle Creek, Mich.	**611.6**	550.1	11.2	428.1	385.1	4,651.7	4,348.8	470.2	480.4	2,940.5	2,766.4	4.81	5.03
11	15	**Nestle SA**, Vevey, Switzerland	**608.4**	552.8	10.1	311.7	283.2	29,469.9	27,051.0	1,479.8	1,355.0	NA	NA	NA	NA
12	10	**Unilever NV**, London/Rotterdam	**604.1**	649.1	(6.9)	377.9	406.1	34,434.0	30,980.0	1,687.0	1,510.0	7,426.0	6,189.0	12.29	9.53
13	14	**Ford Motor Co.**, Dearborn, Mich.	**602.1**	565.2	6.5	450.7	432.4	96,145.9	92,445.6	3,935.0	5,300.2	72,784.0	70,626.0	120.89	124.95
14	11	**Anheuser-Busch Cos.**, St. Louis	**591.5**	645.9	(8.4)	388.1	423.8	10,283.6	9,705.1	767.2	715.9	NA	NA	NA	NA
15	13	**Warner-Lambert Co.**, Morris Plains, N.J.	**585.9**	605.6	(3.3)	200.4	207.1	4,195.8	3,908.4	412.7	340.3	2,249.0	2,038.0	3.84	3.37
16	17	**AT&T Co.**, New York	**567.7**	547.1	3.8	360.2	347.1	36,112.0	35,210.0	2,697.0	(1,669.0)	36,112.0	35,210.0	63.61	64.35
17	18	**Time Warner**, New York	**567.5**	505.6	12.2	300.7	267.9	10,779.0	9,103.0	(987.0)	(1,137.0)	8,260.0	7,222.0	14.55	14.28
18	12	**K mart Corp.**, Troy, Mich.	**561.4**	631.7	(11.1)	186.3	209.6	29,533.0	27,301.0	323.0	803.0	29,533.0	27,301.0	52.61	43.22
19	19	**Chrysler Corp.**, Highland Park, Mich.	**532.5**	476.4	11.8	415.9	372.1	34,922.0	34,148.0	359.0	1,050.0	30,750	30,038	57.75	63.05
20	20	**Johnson & Johnson**, New Brunswick, N.J.	**487.1**	473.3	2.9	246.6	239.6	9,757.0	9,000.0	1,082.0	974.0	4,881.0	4,576.0	10.02	9.67
21	22	**General Mills**, Minneapolis	**471.0**	447.8	5.2	355.3	337.8	6,448.3	5,620.6	373.7	315.3	5,796.1	5,071.2	12.31	11.33
22	21	**American Home Products Corp.**, New York	**456.1**	461.1	(1.1)	257.3	260.1	6,747.0	6,401.5	1,102.2	995.5	4,755.5	4,471.9	10.43	9.70
23	23	**Bristol-Myers Squibb Co.**, New York	**451.6**	424.2	6.5	235.7	221.4	9,189.0	8,558.0	747.0	1,254.0	6,478.0	6,013.0	14.34	14.18
24	24	**Ralston Purina Co.**, St. Louis	**429.5**	412.7	4.1	154.6	148.5	6,658.3	5,875.9	422.5	387.8	NA	NA	NA	NA
25	39	**Toyota Motor Corp.**, Toyota City, Japan	**417.6**	273.0	53.0	292.3	191.1	60,083.9	54,254.0	2,884.3	2,338.0	NA	NA	NA	NA
26	26	**J.C. Penney Co.**, Dallas	**407.5**	394.8	3.2	158.9	154.0	16,103.0	14,833.0	802.0	807.0	16,103.0	14,833.0	39.51	37.57
27	28	**May Department Stores Co.**, St. Louis	**385.7**	369.8	4.3	270.0	258.9	9,425.0	8,403.0	515.0	448.0	9,425.0	8,403.0	24.44	22.73
28	27	**Coca-Cola Co.**, Atlanta	**385.3**	376.7	2.3	229.4	224.3	8,965.8	8,337.8	1,723.8	1,044.7	4,022.2	3,683.6	10.44	9.78
29	32	**Sara Lee Corp.**, Chicago	**357.9**	324.4	10.3	169.8	153.9	11,600.0	11,700.0	470.3	410.5	NA	NA	NA	NA
30	25	**Quaker Oats Co.**, Chicago	**357.8**	409.5	(12.6)	179.3	205.2	5,030.6	4,879.4	169.0	203.0	3,610.0	3,629.9	10.09	8.86
31	37	**Sony Corp.**, Tokyo	**356.5**	275.4	29.4	213.6	165.0	18,343.0	16,261.6	654.8	549.3	5,466.2	4,439.4	15.33	16.12
32	30	**H.J. Heinz Co.**, Pittsburgh	**342.3**	336.8	1.6	149.2	146.8	6,085.7	5,800.9	504.5	440.2	3,779.9	3,473.3	11.04	10.31
33	34	**Walt Disney Co.**, Burbank, Calif.	**338.7**	304.5	11.2	178.2	160.2	4,594.3	3,438.2	703.3	522.0	4,594.3	3,438.2	13.57	11.29
34	44	**Dayton Hudson Corp.**, Minneapolis	**314.2**	240.6	30.6	165.3	126.6	13,644.0	12,204.0	410.0	287.0	13,644.0	12,204.0	43.42	50.72
35	33	**R.H. Macy & Co.**, New York	**312.7**	310.6	0.7	203.9	202.5	6,974.1	5,729.1	(53.7)	(188.2)	6,974.1	5,729.1	22.30	18.44
36	36	**U.S. Government**, Washington	**309.5**	294.3	5.2	184.4	175.3	NA	NA	NA	NA	NA	NA	NA	NA
37	46	**Nissan Motor Co.**, Tokyo	**300.6**	224.9	33.7	237.0	177.3	26,600.0	23,867.0	566.0	424.0	NA	NA	NA	NA
38	43	**Honda Motor Co.**, Tokyo	**298.8**	243.3	22.8	217.5	177.1	24,385.0	22,084.0	517.0	616.0	NA	NA	NA	NA
39	40	**Campeau Corp.**, Toronto	**294.9**	260.3	13.3	168.0	148.3	10,439.0	8,668.0	(1,740.0)	(34.0)	10,237.0	8,499.0	34.72	32.65
40	31	**Mars Inc.**, McLean, Va.	**293.3**	334.5	(12.3)	160.2	182.7	8,000.0	NA	NA	NA	NA	NA	NA	NA
41	35	**Hershey Foods Corp.**, Hershey, Pa.	**288.2**	294.6	(2.2)	92.5	94.5	2,421.0	2,168.0	171.1	213.9	2,235.7	1,968.6	7.76	6.68
42	42	**American Express Co.**, New York	**267.9**	247.1	8.4	189.6	174.9	25,047.0	20,895.0	1,157.0	1,038.0	20,617.0	17,040.0	76.95	68.96
43	29	**Colgate-Palmolive Co.**, New York	**246.3**	351.7	(30.0)	76.2	108.8	5,038.8	4,734.3	280.0	317.8	1,828.0	1,687.2	7.42	4.80
44	38	**General Electric Co.**, Fairfield, Conn.	**243.2**	274.5	(11.4)	111.1	125.4	54,574.0	50,089.0	3,939.0	3,386.0	48,912.0	46,364.0	201.15	168.91
45	47	**Pfizer Inc.**, New York	**235.3**	217.6	8.1	96.5	89.2	5,671.5	5,385.4	916.5	1,103.8	3,096.6	2,884.2	13.16	13.25
46	45	**Tandy Corp.**, Fort Worth, Texas	**232.7**	233.5	(0.3)	86.2	86.5	4,499.6	4,180.7	290.3	323.5	4,499.6	4,180.7	19.34	17.91
47	54	**American Stores Co.**, Salt Lake City, Utah	**220.0**	193.3	13.8	138.6	121.8	22,004.2	18,478.4	118.1	98.3	22,004.2	18,478.4	100.01	95.61
48	63	**MCA Inc.**, Universal City, Calif.	**219.9**	157.1	40.0	133.4	95.3	3,382.3	2,900.4	191.8	164.9	2,717.8	2,328.1	12.36	14.82
49	65	**Montgomery Ward & Co.**, Chicago	**213.6**	154.0	38.7	107.2	77.3	5,323.0	5,452.0	151.0	146.0	5,323.0	5,452.0	24.92	35.40
50	51	**Hyundai Group**, Seoul, S. Korea	**212.8**	204.8	3.9	151.9	146.2	32,200.0	27,000.0	NA	NA	NA	NA	NA	NA
51	48	**ConAgra**, Omaha	**211.3**	214.0	(1.3)	94.7	95.9	19,763.2	15,406.4	243.7	202.9	19,763.2	15,406.4	93.53	71.99
52	50	**U.S. Dairy Farmers**, Arlington, Va.	**205.9**	205.5	0.2	111.2	111.0	NA	NA	NA	NA	NA	NA	NA	NA
53	58	**American Brands**, New York	**204.2**	168.0	21.5	90.7	74.6	11,921.4	11,980.0	630.8	580.0	4,521.7	4,459.7	22.14	26.54
54	41	**SmithKline Beecham PLC**, London	**203.2**	258.8	(21.5)	108.7	138.5	5,904.0	5,945.0	210.0	593.0	3,101.0	2,587.0	15.26	10.00
55	52	**Adolph Coors Co.**, Golden, Colo.	**201.0**	200.8	0.1	126.6	126.5	1,763.9	1,521.7	13.1	46.9	1,763.9	1,521.7	8.77	7.58
56	49	**IBM Corp.**, Armonk, N.Y.	**196.9**	213.1	(7.6)	102.4	110.8	62,710.0	59,681.0	3,758.0	5,806.0	25,745.0	25,320.0	130.76	118.82
57	53	**Campbell Soup Co.**, Camden, N.J.	**196.7**	194.6	1.1	131.2	129.8	5,205.8	5,672.1	4.4	13.1	4,527.2	4,233.4	23.02	21.75
58	57	**Revlon Group**, New York	**196.5**	176.1	11.6	98.1	87.9	2,941.8	2,670.2	113.5	189.0	1,977.7	1,794.8	10.06	10.19
59	66	**B.A.T. Industries PLC**, London	**196.4**	150.5	30.5	108.2	82.9	36,223.9	31,275.8	3,030.4	2,228.8	7,848.8	5,851.9	39.96	38.88
60	68	**Mazda Motor Corp.**, Hiroshima	**196.3**	146.9	33.7	143.5	107.4	12,940.0	NA	168.0	NA	NA	NA	NA	NA
61	62	**Gillette Co.**, Boston	**185.1**	158.1	17.0	97.8	83.5	3,818.5	3,581.2	284.7	268.5	1,348.0	1,251.3	7.28	7.91
62	70	**Philips NV**, Eindhoven, The Netherlands	**182.3**	145.2	25.5	91.4	72.8	29,960.2	28,039.5	719.4	528.0	6,202.6	5,894.7	34.02	40.59
63	59	**Clorox Co.**, Oakland, Calif.	**179.9**	165.4	8.8	133.9	123.1	1,484.0	1,356.3	153.6	124.1	1,484.0	1,356.3	8.25	8.20
64	81	**Goodyear Tire & Rubber Co.**, Akron, Ohio	**168.3**	124.0	35.7	66.8	49.2	10,869.3	10,810.4	206.8	350.1	6,421.3	6,360.7	38.16	51.29
65	76	**CPC International**, Englewood Cliffs, N.J.	**166.2**	130.9	27.0	60.9	48.0	5,103.0	4,700.0	328.0	289.0	2,260.0	2,044.0	13.59	15.62
66	87	**Marriott Corp.**, Washington	**162.0**	119.7	35.4	59.4	43.9	7,536.0	6,624.0	177.0	232.0	NA	NA	NA	NA
67	67	**Dow Chemical Co.**, Midland, Mich.	**160.2**	150.1	6.8	119.2	111.7	17,600.0	16,682.0	2,487.0	2,398.0	8,084.0	7,497.0	50.45	49.96
68	93	**S.C. Johnson & Son**, Racine, Wis.	**160.1**	109.5	46.2	87.7	60.0	2,500.0	2,500.0	NA	NA	2,500.0	2,500.0	15.62	22.84
69	94	**Subaru of America**, Cherry Hill, N.J.	**159.5**	108.1	47.6	112.9	76.5	1,718.1	1,695.1	(42.4)	(57.9)	1,718.1	1,695.1	10.77	15.69
70	64	**Mobil Corp.**, Fairfax, Va.	**156.3**	154.1	1.4	48.0	47.3	58,188.0	54,361.0	1,809.0	2,087.0	19,191.0	17,411.0	122.81	112.99
71	56	**Hasbro Inc.**, Pawtucket, R.I.	**151.9**	176.7	(14.0)	123.6	143.8	1,409.7	1,357.9	92.2	72.4	954.3	925.1	6.28	5.24
72	55	**Schering-Plough Corp.**, Madison, N.J.	**150.2**	178.6	(15.9)	72.6	86.3	3,157.9	2,969.4	471.3	389.8	1,987.2	1,797.0	13.23	10.06
73	89	**Citicorp**, New York	**146.3**	119.1	22.9	103.9	84.6	13,752.0	13,018.0	498.0	1,858.0	8,747.0	7,946.0	59.79	66.74
74	82	**Loews Corp.**, New York	**143.0**	123.3	16.0	79.8	68.8	11,436.7	10,752.5	907.1	908.5	NA	NA	NA	NA
75	73	**Paramount Communications**, New York	**141.2**	140.3	0.7	85.4	84.9	3,391.6	3,055.9	1,465.4	384.7	NA	NA	NA	NA
76	88	**Hallmark Cards**, Kansas City, Mo.	**138.2**	119.3	15.8	81.9	70.7	2,500.0	2,300.0	NA	NA	2,500.0	2,300.0	18.09	19.28
77	71	**Seagram Co.**, Montreal	**136.8**	140.8	(2.8)	101.8	104.8	5,581.8	5,055.7	710.6	589.5	2,742.0	2,469.0	20.04	17.54
78	80	**E.I. du Pont de Nemours & Co.**, Wilmington, Del.	**133.2**	126.3	5.4	89.0	84.4	35,534.0	32,360.0	2,480.0	2,190.0	21,382.0	19,539.0	160.53	154.66
79	92	**Bell Atlantic Corp.**, Philadelphia	**132.0**	113.2	16.6	56.7	48.6	11,448.6	10,880.1	1,074.5	1,316.8	11,448.6	10,880.1	86.76	96.11
80	72	**Volkswagen AG**, Wolfsburg, Germany	**131.9**	140.4	(6.0)	92.3	98.3	34,822.8	27,770.6	553.1	446.3	2,868.3	3,335.0	21.74	23.76
81	96	**Circuit City Stores**, Richmond, Va.	**131.2**	101.0	29.9	78.7	60.6	2,096.6	1,721.5	78.1	69.5	2,096.6	1,721.5	15.98	17.04
82	85	**AMR Corp.**, Dallas	**131.0**	120.5	8.7	95.9	88.2	10,479.6	8,824.3	454.8	476.8	10,479.6	8,824.3	80.01	73.21
83	77	**News Corp.**, Sydney	**128.9**	130.2	(1.0)	123.3	124.5	8,763.3	7,813.2	282.3	496.5	4,930.0	3,739.2	38.25	28.72
84	74	**ITT Corp.**, New York	**128.5**	135.0	(4.8)	34.0	38.0	20,054.0	19,355.0	922.0	817.0	14,327.0	13,820.0	111.46	102.37
85	86	**UAL Corp.**, Elk Grove Village, Ill.	**127.3**	120.0	6.2	86.4	81.5	9,793.6	8,981.7	324.2	599.9	9,793.6	8,981.7	76.91	74.88
86	99	**Wal-Mart Stores**, Bentonville, Ark.	**127.1**	98.2	29.4	51.4	39.7	25,810.7	20,649.0	1,075.9	837.2	25,810.7	20,649.0	203.15	210.35
87	61	**Carter Hawley Hale Stores**, Los Angeles	**126.6**	158.3	(20.0)	69.1	86.4	2,787.4	2,617.1	13.5	17.7	2,787.4	2,617.1	22.02	16.54
88	69	**Kroger Co.**, Cincinnati	**125.5**	145.9	(14.0)	56.6	65.8	19,104.0	19,053.0	(72.7)	34.5	19,104.0	19,053.0	152.24	130.58
89	75	**Wm. Wrigley Jr. Co.**, Chicago	**124.3**	134.1	(7.4)	113.9	122.9	992.9	891.4	106.1	87.2	673.9	594.1	5.42	4.43
90	83	**Levi Strauss & Co.**, San Francisco	**123.1**	122.9	0.1	51.2	51.1	3,600.0	3,100.0	272.3	NA	NA	NA	NA	NA
91	91	**Wendy's International**, Dublin, Ohio	**122.4**	114.1	7.3	93.1	86.8	1,069.7	1,062.6	30.4	28.5	NA	NA	NA	NA
92	97	**United Telecommunications**, Westwood, Kan.	**121.3**	100.7	20.5	63.5	52.7	7,549.0	6,493.0	362.9	141.8	7,549.0	6,493.0	62.24	64.48
93	60	**Nynex Corp.**, New York	**120.7**	160.4	(24.8)	62.8	83.4	13,211.0	12,661.0	808.0	1,315.0	13,211.0	12,661.0	109.45	78.91
94	78	**Continental Airlines Holdings**, Houston	**119.6**	128.8	(7.1)	99.1	106.7	6,684.9	8,572.9	(885.6)	(718.6)	6,684.9	8,572.9	55.88	66.54
95	95	**Delta Air Lines**, Atlanta	**116.0**	104.9	10.5	87.0	78.7	8,089.5	6,915.4	460.9	306.8	8,089.5	6,915.4	69.76	65.92
96	98	**Daimler-Benz AG**, Stuttgart, Germany	**115.5**	99.7	15.9	85.6	73.9	40,705.5	42,053.8	3,628.2	973.9	6,944.1	6,761.7	60.10	67.83
97	79	**Bayer AG**, Leverkusen, Germany	**112.0**	126.6	(11.5)	65.9	74.5	23,071.9	23,155.8	1,127.5	1,092.3	5,425.0	4,718.0	48.45	37.28
98	90	**Whitman Corp.**, Chicago	**108.4**	115.4	(6.1)	66.4	70.7	3,985.9	3,474.9	228.2	174.3	3,337.0	2,884.9	30.79	25.01
93	100	**Nike Inc.**, Beaverton, Ore.	**104.6**	73.4	42.6	51.3	36.0	2,235.0	1,711.0	243.0	167.0	1,755.0	1,362.0	16.77	18.56
100	84	**Dr Pepper/Seven Up Cos.**, Dallas	**104.3**	121.0	(13.8)	67.4	78.2	513.7	310.9	(42.3)	(43.8)	513.7	310.9	4.92	2.57

Notes: Dollars are in millions, except U.S. sales per ad dollar. Ad spending figures are AA estimates. Rankings given for 1988 are pro forma and reflect only companies listed in this table. See Page 2 for methodology and sources.

AA chart: Kevin Brown

Total national ad spending by media

	100 Leading National Advertisers					All U.S. advertising expenditures						
	Advertising expenditures			% of total		Advertising expenditures			100 leaders' % U.S. totals		Coen's U.S. estimates	
Category	**1989**	**1988**	**% chg**	**1989**	**1988**	**1989**	**1988**	**% chg**	**1989**	**1988**	**1989**	**1988**
Magazine	$2,900.7	$2,595.0	11.8	8.5	8.1	$6,594.9	$5,884.7	12.1	44.0	44.1	$6,928.0	$6,268.0
Sunday magazine	236.0	202.4	16.6	0.7	0.6	737.0	492.3	49.7	32.0	41.1	NA	NA
Newspaper	2,077.3	2,054.9	1.1	6.1	6.4	8,777.3	7,938.6	10.6	23.7	25.9	32,368.0	31,197.0
Outdoor	275.6	275.4	0.1	0.8	0.9	705.8	718.2	(1.7)	39.0	38.3	1,111.0	1,064.0
Network TV	7,248.6	7,055.3	2.7	21.4	22.0	9,559.0	9,580.3	(0.2)	75.8	73.6	9,110.0	9,172.0
Spot TV	3,663.5	3,582.0	2.3	10.8	11.2	9,030.4	8,609.9	4.9	40.6	41.6	14,966.0	14,417.0
Syndicated TV	942.2	684.5	37.6	2.8	2.1	1,286.7	900.0	43.0	73.2	76.1	1,288.0	901.0
Cable TV networks	517.8	403.1	28.5	1.5	1.3	952.6	748.0	27.4	54.4	53.9	1,527.0	1,196.0
Network radio	430.8	419.4	2.7	1.3	1.3	696.2	657.2	5.9	61.9	63.8	476.0	425.0
Spot radio	716.7	600.1	19.4	2.1	1.9	1,841.2	1,620.4	13.6	38.9	37.0	7,847.0	7,373.0
Subtotal measured media	19,009.3	17,872.1	6.4	56.0	55.8	40,181.1	37,149.5	8.2	47.3	48.1	75,621.0	72,013.0
Unmeasured advertising	14,936.7	14,133.4	5.7	44.0	44.2	83,748.9	80,900.5	3.5	17.8	17.5	48,309.0	46,037.0
Total U.S. ad spending	33,946.0	32,005.5	6.1	100.0	100.0	123,930.0	118,050.0	5.0	27.4	27.1	123,930.0	118,050.0

Note: Dollars are in millions. **Sources**: LNA/Arbitron and Radio Expenditure Reports. * Total U.S. advertising volume as estimated by Robert J. Coen, McCann-Erickson (AA, May 14, 1990). See "Methodology and sources," Page 2 for more information.

AA chart: Kevin Brown

Total U.S. ad spending by category and media

Category	Year	Total ad spending	Magazine	Sunday magazines	Newspaper	Outdoor	Network TV	Spot TV	Syndicated TV	Cable TV	Network radio	Spot radio
Retail	**1989**	**$6,028.7**	**$203.9**	**$110.2**	**$3,638.1**	**$72.2**	**$294.8**	**$1,493.1**	**$13.2**	**$30.4**	**$102.9**	**$69.8**
	1988	5,411.2	171.5	25.1	3,285.5	83.1	271.9	1,355.6	13.4	22.7	89.9	92.5
Automotive	**1989**	**5,519.9**	**883.6**	**29.1**	**881.8**	**59.7**	**1,520.0**	**1,656.4**	**64.9**	**85.9**	**85.2**	**253.4**
	1988	4,935.8	800.1	19.1	831.1	59.9	1,331.0	1,538.5	30.5	57.2	72.0	196.5
Food	**1989**	**3,897.5**	**434.9**	**20.5**	**48.9**	**10.2**	**1,637.8**	**911.6**	**310.9**	**101.9**	**74.5**	**346.4**
	1988	3,879.5	376.5	19.8	273.9	13.3	1,573.7	918.5	229.6	89.5	75.8	308.7
Business, consumer svcs.	**1989**	**3,891.4**	**524.4**	**40.3**	**1,405.5**	**59.2**	**625.0**	**804.8**	**46.6**	**96.4**	**93.8**	**195.4**
	1988	3,206.4	459.8	24.0	851.4	63.4	720.0	747.0	21.5	69.1	70.8	179.5
Entertainment	**1989**	**2,753.2**	**24.3**	**2.1**	**517.5**	**48.8**	**837.0**	**1,154.6**	**77.8**	**51.5**	**9.3**	**30.3**
	1988	2,427.8	27.8	1.6	439.2	44.5	714.9	1,095.1	39.9	32.4	3.7	28.7
Toiletries, cosmetics	**1989**	**2,212.2**	**650.0**	**32.2**	**9.7**	**3.2**	**921.5**	**301.6**	**165.7**	**82.3**	**19.7**	**26.3**
	1988	2,046.4	553.0	25.6	47.0	3.7	890.5	281.5	130.2	69.2	~~26.0~~	19.6
Travel, hotels	**1989**	**2,133.1**	**367.6**	**40.1**	**982.4**	**51.6**	**180.9**	**273.4**	**4.3**	**31.1**	**42.3**	**159.4**
	1988	1,930.6	303.4	25.2	872.8	55.3	192.9	288.7	3.3	18.5	35.7	134.8
Drugs & remedies	**1989**	**1,604.9**	**136.0**	**21.5**	**108.6**	**12.9**	**762.8**	**273.7**	**121.4**	**60.4**	**55.6**	**51.9**
	1988	1,544.5	143.2	6.3	105.2	11.6	783.3	248.2	85.3	52.2	73.4	35.9
Beer, wine & liquor	**1989**	**1,184.6**	**256.5**	**13.7**	**32.0**	**57.4**	**380.9**	**220.9**	**36.0**	**38.4**	**9.2**	**139.2**
	1988	1,301.2	212.8	10.0	35.7	58.0	493.3	264.4	27.7	37.9	16.3	145.1
Direct response cos.	**1989**	**1,150.9**	**507.5**	**226.4**	**109.6**	**2.7**	**62.7**	**123.0**	**24.8**	**62.6**	**31.6**	**NA**
	1988	1,101.3	450.6	176.6	173.3	4.7	34.7	144.5	15.0	58.0	43.9	NA
Snacks & soft drinks	**1989**	**1,098.7**	**53.3**	**3.2**	**15.0**	**6.7**	**408.3**	**351.6**	**120.9**	**47.6**	**38.2**	**53.9**
	1988	1,198.3	51.1	2.5	41.0	7.4	492.8	370.6	99.8	39.7	36.9	56.5
Apparel, footwear	**1989**	**891.1**	**391.4**	**30.2**	**11.3**	**7.1**	**232.2**	**69.8**	**27.2**	**36.4**	**3.4**	**62.0**
	1988	837.8	359.7	25.0	21.1	6.9	259.7	72.7	16.2	26.4	2.1	47.8
Insurance & real estate	**1989**	**868.9**	**132.8**	**18.9**	**334.0**	**30.6**	**193.5**	**111.1**	**4.4**	**15.5**	**22.4**	**5.6**
	1988	779.7	126.8	17.5	253.4	32.5	212.3	98.8	1.6	11.6	17.4	7.9
Publishing & media	**1989**	**763.2**	**192.6**	**4.6**	**248.3**	**49.8**	**11.3**	**152.5**	**2.5**	**18.6**	**15.2**	**67.7**
	1988	705.0	190.9	5.7	228.2	48.0	11.0	138.5	2.4	13.4	15.0	52.0
Cigarettes, tobacco	**1989**	**675.1**	**401.5**	**45.7**	**31.6**	**187.8**	**0.2**	**4.9**	**NA**	**0.7**	**2.1**	**0.6**
	1988	663.1	351.7	38.0	73.9	184.8	1.4	7.6	0.4	0.9	3.6	0.8
Computers, office equip.	**1989**	**667.1**	**269.0**	**8.5**	**92.0**	**2.4**	**165.6**	**42.3**	**4.9**	**16.9**	**13.3**	**32.2**
	1988	602.6	250.7	5.1	59.7	2.2	197.4	29.9	2.2	10.0	18.3	27.2
Household equip.	**1989**	**620.9**	**103.0**	**10.9**	**22.9**	**0.7**	**264.8**	**130.5**	**43.7**	**23.3**	**21.1**	**NA**
	1988	612.6	101.3	5.8	45.9	0.7	269.8	124.3	28.1	22.6	14.2	NA
Soaps, cleansers	**1989**	**612.3**	**67.5**	**2.1**	**2.7**	**2.6**	**312.4**	**116.9**	**67.7**	**26.1**	**0.1**	**14.1**
	1988	599.3	50.8	0.9	29.3	1.0	310.3	131.1	41.4	21.2	3.9	9.5
Sporting goods, toys	**1989**	**610.0**	**130.6**	**0.7**	**7.0**	**0.2**	**125.4**	**217.6**	**81.3**	**29.6**	**1.2**	**16.3**
	1988	558.6	117.6	1.6	7.1	0.3	120.0	210.3	63.1	22.0	1.2	15.3
Jewelry, cameras	**1989**	**403.0**	**153.2**	**11.4**	**12.8**	**1.8**	**106.0**	**53.3**	**11.0**	**10.0**	**1.1**	**42.3**
	1988	381.9	141.5	6.2	14.1	2.2	124.8	45.7	7.1	8.4	1.6	30.3
Building materials	**1989**	**379.7**	**81.3**	**7.8**	**56.5**	**1.6**	**92.0**	**85.3**	**2.6**	**18.0**	**10.8**	**23.7**
	1988	385.6	87.3	4.5	54.4	1.5	112.2	79.3	1.7	12.9	6.8	25.0
Household furnishings	**1989**	**357.6**	**123.2**	**23.8**	**42.6**	**0.9**	**69.8**	**57.2**	**1.7**	**2.1**	**2.3**	**33.9**
	1988	327.2	114.2	18.1	41.4	0.9	78.2	49.3	0.5	1.9	1.1	21.5
Electronic entertainment	**1989**	**349.6**	**102.5**	**2.8**	**11.0**	**1.8**	**56.7**	**84.6**	**17.8**	**30.5**	**17.3**	**22.5**
	1988	313.0	88.4	7.5	9.5	1.3	65.0	86.3	10.0	22.6	10.8	11.7
Gasoline, lubricants	**1989**	**341.2**	**27.5**	**1.6**	**25.8**	**6.1**	**38.3**	**164.4**	**0.6**	**9.7**	**4.1**	**63.0**
	1988	291.6	22.7	0.3	20.8	4.7	55.1	124.3	0.3	6.1	3.1	54.1
Pets, pet foods	**1989**	**275.2**	**45.8**	**4.4**	**4.3**	**0.3**	**133.9**	**40.9**	**28.4**	**10.7**	**4.2**	**2.3**
	1988	271.1	31.1	1.0	28.1	0.2	126.8	42.2	23.9	9.4	6.8	1.6
Horticulture & farming	**1989**	**245.7**	**24.5**	**3.2**	**49.9**	**0.9**	**39.0**	**65.9**	**5.1**	**8.4**	**9.5**	**39.3**
	1988	215.3	23.5	2.6	46.0	2.0	39.4	67.0	2.9	5.4	5.5	21.1
Freight, industrial	**1989**	**149.7**	**47.5**	**4.6**	**12.0**	**0.2**	**54.7**	**22.7**	**0.0**	**3.2**	**4.8**	**NA**
	1988	144.6	41.0	0.4	12.5	0.2	65.9	21.4	0.0	2.4	0.9	NA
Industrial materials	**1989**	**109.8**	**62.8**	**0.7**	**7.7**	**1.0**	**24.0**	**11.0**	**0.7**	**2.0**	**NA**	**NA**
	1988	108.0	53.5	0.3	8.6	1.0	31.5	11.4	0.2	1.5	NA	NA
Business propositions	**1989**	**36.4**	**20.3**	**0.4**	**2.4**	**0.5**	**3.3**	**3.6**	**0.0**	**0.6**	**0.9**	**4.3**
	1988	24.9	13.1	0.3	2.3	0.3	NA	4.1	0.1	0.8	0.5	3.4
Airplanes, aviation	**1989**	**18.1**	**14.0**	**0.2**	**2.7**	**0.1**	**0.4**	**0.3**	**NA**	**0.5**	**0.0**	**NA**
	1988	16.2	12.5	NA	2.5	0.1	0.3	0.5	NA	0.3	NA	NA
Miscellaneous	**1989**	**331.5**	**141.7**	**15.2**	**50.7**	**24.4**	**1.8**	**10.6**	**0.4**	**1.1**	**0.1**	**85.6**
	1988	328.5	156.7	15.7	23.9	22.5	0.2	12.5	1.6	1.9	0.2	93.4
Total	**1989**	**40,181.1**	**6,594.9**	**737.0**	**8,777.3**	**705.8**	**9,559.0**	**9,030.4**	**1,286.7**	**952.6**	**696.2**	**1,841.2**
	1988	37,149.5	5,884.7	492.3	7,938.6	718.2	9,580.3	8,609.9	900.0	748.0	657.2	1,620.4

Note: Dollars are in millions. **Sources**: All media from LNA/Arbitron, except spot radio from Radio Expenditure Reports. See "Methodology and sources," Page 2 for more information.

AA chart: Kevin Brown

Sales & earnings ($ in millions)

Worldwide	1989	1988	% chg
Sales	25,047	20,895	19.9
Earnings	1,157	1,038	11.5
U.S.	**1989**	**1988**	**% chg**
Sales	20,617	17,040	21.0
Pretax income	1,239	901	37.5
Division sales	**1989**	**1988**	**% chg**
Travel related services	8,357	6,854	21.9
IDS financial	1,934	1,557	24.2
American Express Bank	2,100	1,738	20.8
Shearson Lehman Brothers	12,501	10,529	18.7
American Express Info Svcs	660	447	47.7

Annual review

American Express, already spread thin in the marketing war against bank cards and other financial institutions, took to battle on another front this year—rebuilding its Shearson Lehman Brothers unit, which was hard hit by the collapse of the junk bond market.

American Express CFO Howard L. Clark Jr. took over as chairman of the unit, separated its investment banking and retail divisions and dropped ad agency McCann-Erickson for Ally & Gargano. Ally then broke a campaign tagged "When you do it better, you get to be the leader."

Just about the time AmEx seemed to be losing its sizzle in the credit-card market, Kenneth Roman, top executive at AmEx agency Ogilvy & Mather, was hired as exec VP-corporate affairs and communications.

He is helping American Express, which has clung to its image as the caviar card, lure the pizza crowd. The card is being tested at Domino's Pizza in New York. Ads are even being placed on carry-out pizza boxes. The card has been accepted at Gulf gas stations and Target Stores, the nation's No. 3 discount chain.

AmEx got into the rebate business, teaming up with TWA to offer cash rebates of up to $1,000 in the form of American Express gift checks on international travel. Any cardmember putting a $500 down payment on a Buick with an AmEx card also received a free vacation.

The reason for the move to middle America is that the long-running credit-card wars are not going well even though worldwide charge volume climbed 12% to $25 billion in 1989. Margins are narrowing as the giveaways and lower and better fees mount. An interest-rate war also could be materializing.

Visa captured 45.1% of the $296.9 billion U.S. volume for charge cards with $134 billion in 1989, according to Curt Peters, *Credit Cards News* editor. MasterCard had 28.1% compared to American Express' 21.9%, down from 22.6% in 1988. Discover and Diner's Club shared 4.9%. Visa's share of market has held at 58% since 1988, while MasterCard's share has dropped slightly to 36%.

Credit card issuers are looking for ways to combat the successful AT&T Universal card, which experts predict will have 35 million cards out by 1995—more than AmEx with its 23.3 million cards and charge volume of $65 billion.

Instead of targeting each other's customers, competitors are aiming for the bigger consumer spending pie. Of the $3 trillion spent last year, 87.5% of expenditures were by check and cash.

American Express hasn't forgotten its upscale base. It sponsored a 14-page, co-op ad section promoting Optima and Green cards in *Vogue* last year and, jointly with its own *New York Woman* magazine, sponsored a holiday express bus that hit 45 Manhattan stores which advertise in the magazine.

A similar promotion will occur in the fourth quarter when AmEx pulls out its "Shoppers Service," a multi-page ad "catalog" inserted in selected fashion magazines containing products from 15 retailers. Cardmembers will place orders by calling a toll-free number. AmEx is backing the program with $2 million in print and a direct mail shopping guide, "In-Store," that went to 1 million cardholders in nine major markets in September. The campaign was created by Lipman, Richmond, Greene Advertising, New York. Bronner Slosberg Associates handled direct marketing.

American Express, unbridled by federal restrictions, is continuing to battle the banks by stepping into their turf. The company added a personal savings program for cardholders which has heightened bankers' fears that AmEx will eat into their customer base. One consultant called the panoply of AmEx products—money market account, line of credit, credit cards and mutual fund products—a "CitiOne account without branch banking."

AmEx has upped its ad budget by some $12 million to $181 million. Much of the increase, some $8 million, went to double the budget of the Gold bank card to $16 million. Gift checks rose 44% to $11 million.

Some increases came at the expense of advertising at Shearson Lehman Brothers which dropped 32.6% to $15.7 million in media, according to LNA/Arbitron. Despite an overall 8.4% growth in media spending at AmEx, expenditures were off in network TV and newspapers—media in which Shearson spending declined by $2 million and $4 million, respectively. Spot TV rose a dramatic 83% including $15 million alone in new spending for Optima and Gold cards and the AmEx corporate card system.

American Express has become an aggressive player in the communications business through American Express Publishing Co., which announced plans to publish as many as 20 magazines in five years, either by inaugurating new publications or purchasing existing ones. The unit acquired city magazines, *Atlanta* and *D*, a Dallas-Fort Worth monthly, and repositioned *Departures* magazine.

Headquarters

American Express Co.
American Express Tower
World Financial Center
New York, N.Y. 10285-3130
(212) 640-2000

Marketing personnel

Joan Bonnette, vp-adv, personal card; Lewis Taffer, sr vp-establishment svcs mktg, US & Natl accts; John Williams, vp-Platinum card mktg; Brian Kleinberg, vp-gold card mktg; Abbey Kohnstamn, sr vp-Optima Card Div. & TRS media; Thomas F. Cash, sr vp-worldwide mktg; Barbara Barsa, vp-mktg, small business; Leo Toralballa, sr vp-personal card acquisition; Norma Arnold, sr vp-card member svcs; Dennis Stevens, vp mktg-Traveler's Cheque Group, USA.

Brands

Gold card

Ad agency: Chiat/Day/Mojo, New York. Steven Friedman, grp mgmt super; Dick O'Connell, mgmt super; Julia Platt, acct super.

Ad agency: Perkins/Butler, New York. Lexy Tanner, mgmt super; Anne DeSalvo, acct super.

American Express card

Ad agency: Ogilvy & Mather, New York. Brendan Ryan, exec dir-O&M, N.Y.; David Warden, sr vp-grp dir.

Subsidiary

Shearson Lehman Brothers
New York

Marketing personnel

Hank Gottmann, sr exec vp-dir, natl sales & mktg; Catherine Kaputa, sr vp-dir adv; Barbara Glasser, asst vp-adv mgr.

Brands

Shearson Lehman Brothers

Ad agency: Ally & Gargano, New York. Jed Bernstein, sr vp-mgmt dir; Diane Buckley, vp-acct dir; Karen Hoover, acct exec.

Subsidiary

IDS Financial Services
Minneapolis, Minn.

Marketing personnel

Jeffrey Stiefler, exec vp-sales & mktg; Reed Saunders, sr vp-financial planning & mktg.

Brands

IDS Financial Services

Ad agency: Ogilvy & Mather, New York. Brendan Ryan, exec dir-O&M, N.Y.; David Warden, sr vp-grp dir.

Hispanic mktg

Ad agency: Moneygram Hispanic agency; Solis Group, Denver. Frank Solis, creative dir; Adriana Norkin, copywriter; David Rodriguez, art dir; Elias Lucero, acct super; Amanda V. Papesh, acct exec.

RANK: 22

American Home Products Corp.

New York
Ad spending: **$456.1** million

U.S. ad spending ($ in thousands)

By media	1989	1988	% chg
Magazine	16,104	15,655	2.9
Sunday magazine	107	112	(4.5)
Newspaper	272	1,092	(75.1)
Outdoor	19	0	NA
Network TV	176,185	179,340	(1.8)
Spot TV	40,161	46,196	(13.1)
Syndicated TV	8,972	3,895	130.4
Cable TV networks	11,056	8,481	30.4
Network radio	2,878	4,323	(33.4)
Spot radio	1,533	1,041	47.3
Measured media	257,284	260,135	(1.1)
Unmeasured	198,800	201,000	(1.1)
Total	'56,084	461,135	(1.1)
By top brands	**1989**	**1988**	**% chg**
Advil pain reliever	47,941	46,696	2.7
Anacin pain reliever	29,044	37,894	(23.4)
Dimetapp cold products	20,909	25,928	(19.4)
Dristan cold products	17,136	17,300	(1.0)
Chef Boyardee pasta	16,906	9,289	82.0
Robitussin cough prods	16,888	12,939	30.5
CoAdvil cold remedy	9,604	0	NA
Pam cooking products	9,440	9,061	4.2
Preparation H ointment	9,078	8,745	3.8
Woolite laundry products	8,590	9,785	(12.2)

Sales & earnings ($ in million)

Worldwide	1989	1988	% chg
Sales	6,747	6,401	5.4
Earnings	1,102	995	10.7
U.S.	**1989**	**1988**	**% chg**
Sales	4,756	4,472	6.3
Operating income	1,068	1,094	(2.4)
Division sales	**1989**	**1988**	**% chg**
Pharmaceuticals	3,277	3,172	3.3
Consumer healthcare	1,294	1,192	8.6
Medical supplies	693	676	2.5
Food prods	731	651	12.4
Household prods	752	711	5.8

Annual review

American Home Products Corp. moved closer toward becoming a major force in healthcare with the divestiture of an unrelated division and the acquisition of A.H. Robins Co.

The $1.25 billion sale of its Boyle-Midway division to Reckitt & Colman PLC included Woolite, Easy-Off, Wizard, Black Flag and Sani-Flush brands as well as the Neet depilatory line. Measured spending in 1989 by the division's brands exceeded $30 million.

AHP retained the division's Pam cooking spray and Butter Buds Sprinkle Butter Substitute, whose sales grew 36% last year thanks to America's obsession with healthy eating.

The acquisition of A.H. Robins, which has been in Chapter 11 from claims against its Dalkon Shield, brought well-known health care products such as Robitussin, Dimetapp and Chap Stick. These items complement AHP's existing base, offered Jim Callandrillo, project manager of Fairfield, N.J.-based Kline & Co. "Plus, American Home will be able to get Robins' products into more outlets."

Robitussin remained the leader in the $2.1 billion OTC cough liquid category with a 32% share, ahead of Vicks' 18% share. Measured spending against the brand, which still carries the Robins logo, registered $17 million, up 30.8%. There are currently four formulas for different cough conditions. During 1989, the line was extended to single dose and improved Night Relief.

Dimetapp garnered 9% of the upper respiratory category, behind Richardson Vick's Nyquil's 12% share. About $22 million was allocated in 1989 spending.

Despite a slight 1% reduction in measured spending overall for AHP brands, they retained impressive market shares.

Sales of Advil, the jewel of its Whitehall division, grew 19% last year to $230 million, claiming 53% of the ibuprofen business, way ahead of Nuprin's 20%. Motrin IB from Upjohn, which also makes Nuprin for Bristol-Myers Squibb, carved out a 2% share in its first year, according to Kline's Julie Wolfe.

Although Advil is expected to rev up spending to keep it No. 1, measured spending from 1988 to 1989 remained relatively stable at $48 million. Advil is now the No. 2 brand in the entire $2.5 billion pain relief market behind Johnson & Johnson's Tylenol.

Capitalizing on the strong Advil name, CoAdvil and Children's Advil Suspension were rolled out in 1989. CoAdvil, backed with a $9 million budget, is a combination ibuprofen and pseudoephedrine for relief of cold, sinus and flu symptoms.

In July 1990, Whitehall moved the $17 million Anacin aspirin account from Young & Rubicam to Partners & Shevack which already handled the $11 million Anacin-3 business.

Whitehall's Clearblue Easy commands about 19% of the burgeoning home pregnancy test kit business and during early 1990 a Clearplan Easy ovulation predictor was rolled out to the trade. Clearblue measured spending reached $4 million.

American Home Food remained the leader in the $700 million prepared pasta segment with its Chef Boyardee lineup. Fueling growth was the Chef Boyardee Microwave Meals brand which expanded in 1989 with four children's microwave pasta dishes. Chef Boyardee commands almost 60% of the business, ahead of Campbell's 36% share. Measured spending—up 11.4% to $20.5 million in 1989—led a big marketing push behind the microwave meals.

A shakeup in the Whitehall division led to the departure of L. Randall Yates who is credited with helping launch Advil in 1984.

Headquarters

American Home Products Corp.
685 Third Ave.
New York, N.Y. 10017
(212) 878-5000

Marketing personnel

John F. Murray, corp media buying. Adv agency (in-house): Richard Feldheim, pres; Marianne McArdle, sr vp-dir, natl tv; Kathleen Margaritov, vp-natl tv super; Patricia Stern, Kenneth Lagana, vps-natl tv supers; Matthew Feinberg, dir-radio; Emma Salgadu, vp-traffic; William Levengood, vp-dir, computer operations. Mil-Mor Media Inc. (in house): Richard Feldheim, pres; Francis Slaughter, vp-gm.

Division

Whitehall Laboratories
New York

Marketing personnel

Andrew Davis, sr vp-mktg; Lyn Ciocca, Holly Crosbie-Foote, vps-mktg; J. Schmitt, vp-new prods; Steve Palmisano, adv dir.

Brands

Advil Anbesol, Arthritis Pain Formula, Clearblue Easy, Clearplan Easy, CoAdvil, Semicid, Today sponge

Ad agency: Young & Rubicam, New York. Patrick Knisley, sr vp-grp dir; Margaret McKinley, vp-acct super; Catherine Damico, acct super.

Compound W, Dermoplast, Dristan sprays, Dristan tablets, Momentum, Oxipor, Preparation H

Ad agency: McCann-Erickson, New York. George Biava, sr vp-grp dir; Robert Rivituso, Carol Smith, mgmt reps-sr vps; Barbara Giuffre, P.J. Lehrer, acct supers.

Anacin, Anacin-3, Maximum Strength Anacin, Denorex, Freezone, Outgro, Primatene, Riopan

Ad agency: Partners & Shevack, New York. Alan Yarnoff, exec vp-acct dir; Martin Bowen, Janice Figueroa, Cheryl Bailey, Paul McCormick, vps-acct supers.

Division

Fort Dodge Laboratories
Fort Dodge, Iowa

Corporate personnel

E.T. Corcoran, pres.

Marketing personnel

P.A. Brown, vp-sales & mktg; D.C. Sandvig, vp-Franklin Lab.

Brands

Fort Dodge Laboratories

Ad agency: Brady Co., Menomonee Falls, Wisc. Bert Hutchinson, sr vp.

Division

American Home Food Products
New York

Corporate personnel

Charles E. LaRosa, pres; John Hittson, sr vp-mktg; Albert Soricelli, sr vp-new ventures; Karl Becker, vp-mktg svcs; Rick Donnelly, vp-prod mgmt; Dennis O'Donnell, vp-prod mgmt; Jules Neuberger, adv dir.

Brands

Chef Boyardee pizza mix, Chef Boyardee Hamburger Italiano, Dennison's Chili, new products, Gulden's mustard

Ad agency: Jordan, McGrath, Case & Taylor, New York. Judy Niedert, vp-mgmt super.

Wheatena, Maypo, Maltex, foodservice

Ad agency: Ketchum Advertising, New York. Matt Seiden, vp-acct super.

Chef Boyardee canned pasta, Chef Boyardee microwave meals, Franklin Crunch 'n Munch, Luck's Beans, Ranch Style Beans, Butter Buds, Pam, new products

Ad agency: Young & Rubicam, New York. Jane Brite, exec vp-grp gm; Jordan Stanley, sr vp-mgmt super; Bob Manni, Nanci Silverman, vps-acct supers.

Division

Sherwood Medical Co.
St. Louis

Corporate personnel

David A. Low, pres.

Marketing personnel

Robert Egan, exec vp-domestic mktg; Thomas Cekoric, vp-gm, API.

Brands

Sherwood

Ad agency: FBA Marketing Communications, St. Louis. Robert Brace, acct exec.

Division

Wyeth-Ayerst Laboratories
Radnor, Pa.

Corporate personnel

Fred Hassan, pres.

Marketing personnel

Robert Essner, sr vp-sales & mktg; Martin Meaney, sr vp-mktg, pharmaceutical prods; Edward Marcoon, vp-gm, pediatric & consumer prods; Joseph Beshel, vp-gm, institutional prods; David Swingle, vp-sales, pharmaceutical prods; John Leone, vp-mktg operations.

Brands

Bicillin, Oral antibiotics

Ad agency: Dorland & Sweeney, Philadelphia. Barbara Zehender, acct super.

Ativan injections, Cerubidine

Ad agency: Harrison, Star, Wiener & Beitler, New York. Joel Roselin, acct super.

Ativan oral, Cycrin, Grisactin, Mysoline, Orudis, Premarin, Serax, Surmontil

Ad agency: Klemtner Advertising, New York. Paul Nani, acct super.

Inderal LA, Inderide LA, Isordil, Tubex

Ad agency: Lally, McFarland & Pantello, New York. Paul Hansen, acct super.

Collyrium, Phenergan Suppositories, Phenergan syrups, Wyanoids Relief Factor

Ad agency: Roberts & Raymond Associates, Philadelphia. Jay Bolling, acct super.

Cordarone, Sectral

Ad agency: Vargas & Levy, New York. Richard Keidel, acct super.

Gastodene, LoOvral, Nordette, Norplant, Ovral, Triphasil

Ad agency: Vicom Associates, Philadelphia. Steve Schmidt, acct super.

Tenex, Quinidex, Micro-K

Ad agency: Wilson, West, Livesay Advertising, Richmond, Va. David Livesay, acct super.

RANK: 47

American Stores Co.

Salt Lake City, Utah
Ad spending: **$220.0** million

U.S. ad spending ($ in thousands)

By media	1989	1988	% chg
Magazine	143	262	(45.5)
Sunday magazine	47	32	45.6
Newspaper	81,877	61,631	32.9
Outdoor	790	1,176	(32.8)
Spot TV	48,434	51,416	(5.8)
Spot radio	7,319	7,243	1.0
Measured media	138,609	121,761	13.8
Unmeasured	81,400	71,500	13.8
Total	220,009	193,261	13.8
By top brands	**1989**	**1988**	**% chg**
Lucky food stores	40,628	39,272	3.5
Jewel food stores	34,686	18,982	82.7
Osco drugstores	14,661	9,043	62.1
Acme food stores	11,181	10,028	11.5
Sav-on-Osco drugstore	7,304	6,923	5.5
Alpha Beta supermarkets	5,921	10,220	(42.1)
Star markets	4,107	4,640	(11.5)
Skaggs Alpha Beta store	3,615	2,609	38.6
Sav-on drugs	3,422	0	NA
Kash N Karry food center	2,720	3,853	(29.4)

Sales & earnings ($ in millions)

Worldwide	1990	1989	% chg
Sales	22,004	18,478	19.1
Earnings	118	98	20.2

Notes: Fiscal years ended Feb 3, 1990 and Jan. 28, 1989

Annual review

Rather than continue its fight to merge its Alpha Beta and Lucky Stores, American Stores Co. will divest over the next five years 151 of its 174 Alpha Betas and nine of the newly bought 393-store Lucky chain.

The divestiture agreement was reached this May with the state of California which had enjoined American from merging the two grocery units on antitrust grounds. It followed a ruling against American by the U.S. Supreme Court that left in place a state order to halt the merger. A protracted court battle loomed ahead of American if it had persisted in challenging the state, which claimed American's consolidation plan would have enabled it to control food prices.

With both Lucky and Alpha Beta, American holds the second largest share of the retail food market in Los Angeles at 18.4%. Top-ranked Vons (Safeway-owned) has 24.8% and Campeau Corp.'s Ralph's, 13.7%. Following the sale of Alpha Beta stores, American is expected to drop to third, according to Debra Levin, a Salomon Bros. analyst.

Statewide, American holds a 26% share with both units matched by Safeway. By merging newly bought Lucky with its Alpha Beta stores, American could have incurred considerable cost savings.

As part of the hoped-for Alpha Beta-Lucky consolidation, American planned to combine Lucky's "Low Price Leader" marketing theme with the variety and price message of Alpha Beta. Troy De Ambrosio, VP-public relations, declined to comment on the direction Lucky advertising will take following the decision to sell Alpha Beta.

In August, Lucky announced it would launch a home delivery service, the first by a major chain in Southern California. Helping in the venture is Maryland-based Shoppers Express.

American's two biggest ad spenders in 1989 were Lucky, showing $44 million in measured advertising, down 7%, and Jewel Food Stores, at $34 million, up 85%, a $16 million increase all in newspapers, according to LNA/Arbitron.

Jewel's advertising, which focuses on its breadth of food offerings, helped it maintain a 36% share for both 1988 and 1989 against aggressive competition in its Chicago home base from Dominick's Finer Foods, an independent chain whose share has grown from 19% in 1987 to 21% in 1989, according to Gary M. Giblen, analyst with PaineWebber. Dominick's spent $16.4 million in media, up 10%.

Measured spending increased 10% to $11 million for American's Acme Markets, which is the top-ranked food retailer in the Philadelphia market at 21%. Alpha Beta showed a 42% drop to $6 million, reflecting its planned merger with Lucky. Both are California-based.

American's individual store units handle their newspaper advertising in house, while broadcast—spot TV with spot radio support—is supplied by outside agencies. Newspapers in 1989 continued to amass substantial ad spending gains while broadcast dropped slightly.

Reflecting the change of 175 Osco Drug Stores in the Southwest back to their original Sav-on name, measured spending grew 56% to $25 million for American Drug Stores, the operating unit housing Osco Drug

The company is divided into five operating units Lucky Stores; Alpha Beta; American Superstores (Acme, Jewel and Star markets); American Drug Stores (Osco and Sav-on); and American Food and Drug (Skaggs Alpha Beta, the former Buttrey Food and Drug stores, and Jewel Osco)

The acquisition of Lucky for $2.5 billion in 1988 helped push up American's debt to more than $3 billion. To ease the debt, American in August sold its 44 Buttrey Food & Drug stores to a management-led group for $184 million. More sales are expected. Capital improvements also have been scaled back

In 1989, American scrapped a decentralization plan to concentrate control at the headquarters level. It also moved back to Salt Lake City from Irvine, Calif., where it had relocated in 1987.

■ **Headquarters**

American Stores Co.
5201 Amelia Earhart Drive
Salt Lake City, Utah 84116
(801) 539-0112

■ **Corporate personnel**

L.S. Skaggs, chmn; J.L. Scott, pres-ceo

■ **Division**

Acme Markets
Philadelphia

■ **Marketing personnel**

Robert Neslund, pres; Jim Horn, sr vp-mktg & distribution

■ **Brands**

Acme Markets

Ad agency: J. Walter Thompson USA, New York. Stephen Bowen, pres

■ **Division**

Jewel Food Stores
Melrose Park, Ill.

■ **Marketing personnel**

Joseph Bugos, pres; William Bolton, vp-mktg; Robert Lutz, dir-sales & adv

■ **Brands**

Jewel food stores

Ad agency: Lois/GGK, Chicago. B. Beechen, mgmt super; Valerie Sanders, sr acct exec

■ **Division**

Star Markets
Cambridge, Mass.

■ **Marketing personnel**

Martin A. Scholtens, pres; Brian Pijanowski, dir-mktg

■ **Brands**

Star Markets

Ad agency: Rossin, Greenberg, Seronick & Hill, Boston. Jim Rowean, vp-acct svcs; Carole Alexander, acct exec

■ **Division**

American Drug Stores
Oak Brook, Ill.

■ **Marketing personnel**

Dave Maher, pres; Dominic Cavallo, sr vp-mktg; Larry Wahlstorm, vp-mktg; John Kromer, adv.

■ **Brands**

American Drug Stores

Ad agency: Lois/GGK, Chicago. Ed Holzer, chmn-ceo; Nancy Nevel, acct exec.

■ **Division**

Alpha Beta Co.
La Habra, Calif.

■ **Marketing personnel**

Roger Wilhelm, acting pres-South region.

■ **Brands**

Alpha Beta Co.

Ad agency: Basso & Assoc., Newport Beach, Calif. Meg Dennis, acct rep.

■ **Division**

Skaggs Alpha Beta
Richardson, Texas

■ **Marketing personnel**

Neill Crowley, pres; Warren Ivie, vp-adv.

■ **Brands**

Skaggs Alpha Beta stores

Ad agency: Bloom Agency, Dallas. Paul MacMahon, chmn; Seth Werner, pres-exec creative dir; Sherry Babcock, sr vp-mgmt super; Mary Glynn, vp-acct super; Tracy Gray, acct exec

RANK: 82

AMR Corp.

Dallas
Ad spending: **$131.0** million

■ **U.S. ad spending** ($ in thousands)

By media	1989	1988	% chg
Magazine	10,172	8,760	16.1
Sunday magazine	990	378	161.9
Newspaper	40,958	28,488	43.8
Outdoor	387	194	99.8
Network TV	10,490	22,264	(52.9)
Spot TV	18,246	16,301	11.9
Syndicated TV	10	0	NA
Cable TV networks	310	643	(51.8)
Network radio	509	541	(5.9)
Spot radio	13,807	10,662	29.5
Measured media	95,879	88,231	8.7
Unmeasured	35,100	32,300	8.7
Total	130,979	120,531	8.7

By top brands	1989	1988	% chg
American Airlines	81,675	77,148	5.9

■ **Sales & earnings** ($ in millions)

Worldwide	1989	1988	% chg
Sales	10,480	8,824	18.8
Earnings	455	477	(4.6)

Division sales	1989	1988	% chg
Passenger	8,839	7,555	17.0
Other	1,122	996	12.7

■ **Annual review**

AMR Corp.'s American Airlines will continue to focus its resources on international growth with marketing emphasis on first-class and business-class service.

The company plans to invest more than $11 billion over the next five years to boost its global presence, according to Michael Gunn, American senior VP-marketing.

American completed the purchase of Eastern Airlines' Latin and Central American routes with service inaugurated in July and August. The acquisition included route authorities between Miami and 20 destinations in 15 countries. Anticipating the expanded service, AMR added Miami as American's seventh U.S. hub city.

The carrier also repositioned in the U.S. and Europe its business-class service, renaming it International Flagship Service. Advertising highlighted the new seats, inflight cuisine and redesigned wine list.

American's international growth is compensating for essentially flat domestic passenger traffic.

For the first seven months of 1990, system-wide revenue passenger miles were up 4.3%, while the domestic portion was up only 1.3%.

"Our international traffic increased 28.1% year over year," said Mr. Gunn, "European traffic remains strong, and early results from our South American start-up are encouraging."

American so far is holding on to its No. 1 position in the U.S. market in revenue passenger miles, according to PaineWebber. American claimed a 16.9% share for the first seven months of 1990, compared to United Airlines' 16.6%. By comparison, 1989 figures show American with 17.6% to United's 16.6%. Delta Airlines remains

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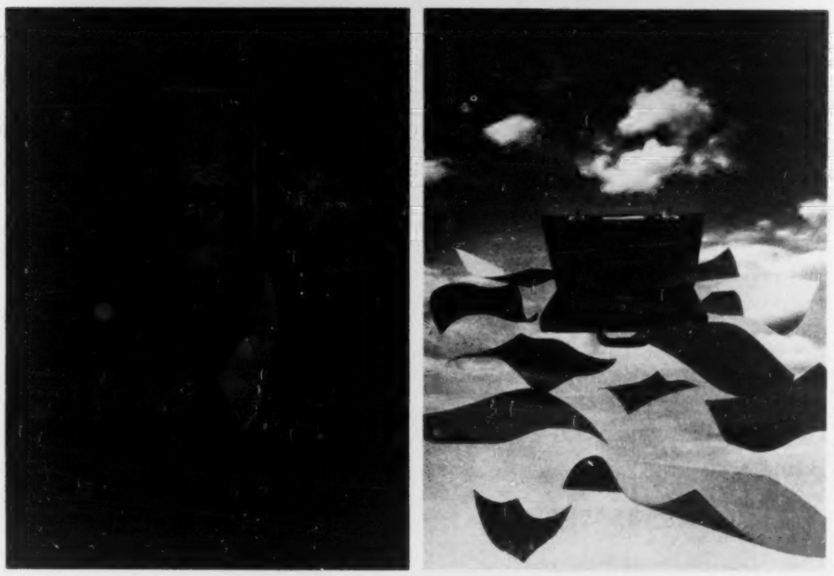

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No. 3 with a 13.2% share, followed by Northwest Airlines at 11.4%.

American's challenge in the coming year will be to revive share growth and profitability.

"This is a time for fundamentals to pay off," remarked Mr. Gunn. He acknowledged that budget belt-tightening across the board was under way and that higher costs to an already thin-margin industry are an "unquestionable blow."

He emphasized that despite some ad spending cutbacks on the image front, tactical promotional ad programs would continue and that new service to Latin and Central America would receive ad support.

AMR's media usage in 1989 reflected its tactical use of media as the company pulled $12 million out of network TV and placed it into quicker-hitting newspaper advertising.

■ Headquarters

AMR Corp.
P.O. Box 619616
Dallas-Fort Worth Airport
Texas, 75261-9616
817-963-1234

■ Marketing personnel

Michael W. Gunn, sr vp-mktg; George L. Mueller, vp-customer svcs; Jack L. Williams, vp-passenger sales; Tom Morris, mg dir-adv; Rob Britton, mgr-domestic adv & direct mail.

■ Brands

American Airlines

Ad agency: Bozell, Dallas. Paul Gold, exec vp-acct dir; Patsy Tryon, sr vp; Wanda Brown, Gaylynn Garrett, David Hall, Anita Wheeler, vps-acct supers.

American Airlines intl & Latin America adv

Ad agency: DDB Needham Dallas, Irving, Texas. Greg Taucher, gm; Guy Phillips, mgmt super-intl; Jose Arandia, mgmt super-Latin America; Kathleen Smith, acct coord-Latin America.

RANK: 14

Anheuser-Busch Cos.

St. Louis
Ad spending: **$591.5** million

■ U.S. ad spending ($ in thousands)

By media	1989	1988	% chg
Magazine	8,834	10,887	(18.9)
Sunday magazine	399	1,364	(70.7)
Newspaper	9,536	8,379	13.8
Outdoor	6,148	8,567	(28.2)
Network TV	181,467	207,364	(12.5)
Spot TV	94,835	97,626	(2.9)
Syndicated TV	10,753	9,757	10.2
Cable TV networks	26,300	21,682	21.3
Network radio	7,707	15,443	(50.1)
Spot radio	42,073	42,696	(1.5)
Measured media	388,053	423,764	(8.4)
Unmeasured	203,400	222,100	(8.4)
Total	591,453	645,864	(8.4)

By top brands	1989	1988	% chg
Budweiser beers	183,075	202,656	(9.7)
Michelob beer	85,515	95,096	(10.1)
Busch beer	28,570	30,930	(7.6)
Anheuser-Busch beers	14,753	12,206	20.9
Sea World amusement parks	10,184	11,462	(11.2)
Busch Gardens amusement park	9,866	8,455	16.7
Eagle snacks	4,517	7,808	(42.2)
Natural Light beer	1,956	2,121	(7.8)
O'Doul's no-alcohol beer	1,032	248	315.3

■ Sales & earnings ($ in millions)

Worldwide	1989	1988	% chg
Sales	10,284	9,705	6.0
Earnings	767	716	7.2

Division sales	1989	1988	% chg
Beer	7,406	6,902	7.3
Food	1,803	1,681	7.3
Entertainment	286	0	NA
Diversified	0	362	NA

■ Annual review

Anheuser-Busch's reach beyond beer to theme parks, snacks and baked goods for future growth isn't the result of failure, but of success.

A-B's beer business grew last year in a stagnant market, pushing its share to 42.1%. And that share has risen to 42.9% for the first half of 1990, up one share point from a year ago, said A-B.

Even as A-B pushes for a 50% U.S. market share, analysts and perhaps the company question the cost of further U.S. growth.

One alternative for expanding its beer business—taking A-B's brews more strongly to Europe—seems at the moment foreclosed by a Czechoslovakian brew's right to the Budweiser name. A-B is known to strongly desire a major presence in Europe and may be looking at strategic purchases, including buying the Czech brewer.

Meanwhile, it has looked beyond beer.

Busch Entertainment, which began with parks at several brewery cities and expanded to four parks including Busch Gardens sites, last year paid $1.1 billion to acquire four Sea World parks and Cypress Gardens from Harcourt Brace Jovanovich. A-B is hoping to build another park near Barcelona, Spain.

A-B consolidated advertising for Sea World of Florida (formerly handled by Scali, McCabe, Sloves, New York) and Sea World of Ohio (formerly handled by Stern Advertising, Cleveland) at DDB Needham Worldwide, Chicago, which also handles Busch Gardens. A-B kept agencies for other Sea World parks.

A-B's Eagle Snack division moved national from its eastern coverage, aided by a new plant in Visalia, Calif. A-B claims Eagle Snacks' 1989 sales grew 37% to $400 million and captured 4% of the snack market.

Eagle added tortilla chips and expanded its Cape Cod line. A-B still advertises Eagle Snacks only in target markets, using Tony Randall and Jack Klugman, but has been talking of moving national in 1991.

An indication that A-B will be paying more attention to the marketing of other products was appointing the beer company veteran VP-marketing, Michael Roarty, to exec VP-corporate marketing & communications for the parent A-B Cos.

A-B already has begun to leverage its beer ad buying clout for all company advertising. A-B now freely substitutes advertising between its beer, snack food, and amusement park divisions on the many long-term buys it makes, especially for local sports programming.

While A-B's overall beer sales were up, 1989 provided otherwise mixed results for the brewing side.

Budweiser sales were off slightly, prompting the introduction of a new "Nothing beats a Bud" campaign from D'Arcy Masius Benton & Bowles, St. Louis, the close to Bud Bowl II. A-B's overall growth came from increased sales of Bud Light, Michelob Light and Busch beers.

A-B blamed the Budweiser decline on aggressive price cutting by rivals. The company also cut back on media spending for its top three beers: Budweiser, down 11.6% to $183 million, Michelob, down 10.1% to $85.5 million and Busch, down 7.4% to $28.6 million.

Network TV alone lost $25.5 million in business from A-B, mostly from beer, while spot TV gained $7.3 million and cable drew an additional $5 million. Some of the cuts in national spending, A-B said, would be balanced later by increased local ad spending.

At mid year A-B was claiming success overall. However, there were indications that the brewer's increasingly niche marketing approach was continuing to cannibalize Budweiser sales.

A-B rolled out O'Doul's non-alcoholic beer in late 1989, Bud Dry in early 1990, and expanded distribution of Busch Light Draft. It also is testing Busch Genuine Draft in Tulsa, Okla. Bud Dry drew $4 million in national media spending, while O'Doul's pulled $1 million.

While A-B's beer marketing continued, part of A-B's corporate attention was on Congress, where a budget deficit prompted talk of an increase in beer taxes. A-B first stepped up its "Know When to Say When" responsible alcohol consumption message and eventually began a separate ad campaign urging the public to "Can the beer tax."

■ Headquarters

Anheuser-Busch Cos.
One Memorial Dr.
St. Louis, Mo. 63102
(314) 577-2000

■ Corporate personnel

Michael Roarty, exec vp-corp mktg & comms, chmn-Busch Media Grp.; Joe Castellano, dir-consumer awareness & education; Steve Burrows, vp-consumer awareness & education; Jesse Aguirre, vp-corp relations.

■ Brands

Corp adv-Hispanic

Ad agency: Sosa & Associates, San Antonio, Tex. Al Aguilar, vp-acct mgmt; Patsy Weser, acct exec.

Black corp affairs

Ad agency: Caroline Jones Advertising, New York. Caroline Jones, pres; Gina Ross, vp-acct super; Mel Stein, vp-assoc creative dir.

■ Subsidiary

Anheuser-Busch Inc.
St. Louis

■ Marketing personnel

Jack McDonough, vp-brand mgmt; Charles B. Fruit, vp-corp media & sports mktg, pres-Busch Media grp; Tom Sharbaugh, grp brand dir-Budweiser brands; Joe Corcoran, sr brand mgr-Budweiser; Robert Lachky, sr brand mgr-Bud Light; August Busch IV, sr brand mgr-Bud Dry; William E. Braun, sr brand mgr-Busch family; William Ellis, prod mgr-Busch family; Robert J. Goughenour, grp brand dir-Michelob family; Jim Schumacker, sr brand mgr-Michelob, Michelob Light & Michelob Dark; Jack McDonagh, prod mgr-Michelob Dry; Don Meyer, grp brand dir-Michelob Dry; Bill Campbell, prod mgr-Michelob Dry; Anne Suppiger, brand mgr-Natural Light & O'Doul's; Brian Porter, sr brand mgr-Carlsberg; Al Cummings, brand mgr-King Cobra; Jim Estrada, natl hispanic mktg; Henry H. Brown, vp-mktg devel & affairs; Prevost Foushee, ethnic brand mktg mgr-Budweiser & Bud Light.

■ Brands

Bud Light, Bud Dry, Busch brands, Michelob brands

Ad agency: DDB Needham Worldwide, Chicago. John Greening, sr vp-grp acct dir, beer; J.T. Mapel, acct super-Busch; Steve Jackson, acct super-Bud Light; Jack Rooney, acct super-Bud Dry; Allan Cohen, acct super-Michelob family; Bob Scarpelli, sr vp-grp creative dir, Bud Light; Tom Scharre, sr vp-grp creative dir, Bud Dry; Bruce Duffey, sr vp-grp creative dir, Busch family; Bill Klimas, sr vp-grp creative dir, Michelob Dry; Judith Werme, sr vp-grp creative dir, Michelob family; Ray Gillette, sr vp-grp acct dir; David Beals, vp-mgmt rep.

Budweiser, O'Doul's, Natural Light

Ad agency: D'Arcy Masius Benton & Bowles, St. Louis. James Palumbo, sr vp-acct grp dir; Steve Nollau, vp-mgmt super, Budweiser; Bryce McTavish, acct super-Budweiser; Rich Lalley, mgmt super-Natural Light & O'Doul's; Randee Pelate, acct super-Natural Light & O'Doul's; Carl Strom, corporate & special projects.

Carlsberg, Elephant Malt Liquor, Anheuser Marzen

Ad agency: TBWA Advertising, New York. Dick Costello, pres; Rob Rosenthal, sr vp-mgmt super, Carlsberg; Art Gramer, exec vp-dir, acct svcs.

Anheuser Marzen

Ad agency: TBWA/Kerlick Switzer, St. Louis. Art Gramer, exec vp-dir, acct svcs.

King Cobra

Ad agency: Equinox Advertising, Chicago. Stuart Rankin; Bernie Washington, Bill Daniel, partners.

Budweiser Hispanic

Ad agency: Castor Advertising, New York. Carlos Rodriguez, sr acct exec.

Bud Light Hispanic, Bud Dry Hispanic

Ad agency: Sosa & Associates, San Antonio, Tex. Al Aguilar, vp-acct mgmt; Patsy Weser, acct exec.

■ Subsidiary

Busch Entertainment Co.
St. Louis

■ Marketing personnel

Brian D. Smith, vp-mktg; Barry W. Thigpen, dir-corp mktg.

■ Brands

Busch Gardens, Sea World of Florida, Sea World of Ohio, Cypress Gardens

Ad agency: DDB Needham Worldwide, Chicago. Bob Scarpelli, sr vp-grp creative dir, Busch Gardens; Bruce Duffey, sr vp-grp creative dir, Sea World; Senn Moses, vp-acct super, Sea World & Cypress Gardens; Kim Kilchenmann, acct super-Busch Gardens, Sesame Place & Adventure Gardens; David Klehre, vp-creative dir, Busch Gardens; Gary Alfredson, vp-creative dir-Sea World & Cypress Gardens.

Sea World of California

Ad agency: D'Arcy Masius Benton & Bowles, Los Angeles. Andy Bielanski, acct grp dir; Mark Detrick, mgmt super; John Armistead, creative dir.

Sea World of Texas

Ad agency: GSD&M, Austin, Texas. Steve Braasch, sr vp-acct dir; Doug Cole, vp-acct super; Mike Blair, sr vp-exec producer; Tina Williamson, assoc media dir.

■ Subsidiary

Campbell-Taggart
Dallas

■ Marketing personnel

Larry Pearson, vp-mktg.

■ Brands

Earth Grains breads, Rainbo (Colonial) bread, Iron Kids, Roman Meal, Family Recipe, Country Hearth, Grant's Farm, Break Cake

Ad agency: Bloom Agency, Dallas. Charles J. Calise, sr vp-mgmt super; Kay Fowler, vp-acct super; Jack Kendrick, sr vp-creative dir.

■ Subsidiary

Eagle Snacks Inc.
St. Louis

■ Marketing personnel

Thomas H. George, vp-mktg.

■ Brands

Eagle Snacks

Ad agency: TBWA Advertising, New York. Rob Rosenthal, sr vp-mgmt super, Eagle Snacks.

RANK: 16

AT&T Co.

New York
Ad spending: **$567.7** million

■ U.S. ad spending ($ in thousands)

By media	1989	1988	% chg
Magazine	71,050	66,193	7.3
Sunday magazine	7,031	7,133	(1.4)
Newspaper	39,715	30,330	30.9
Outdoor	283	361	(21.7)
Network TV	162,750	173,912	(6.4)
Spot TV	39,793	36,753	8.3
Syndicated TV	7,044	6,190	13.8
Cable TV networks	6,560	7,773	(15.6)
Network radio	19,758	12,311	60.5
Spot radio	6,236	6,184	0.8
Measured media	380,219	347,138	3.8
Unmeasured	207,500	200,000	3.8
Total	567,719	547,138	3.8

By top brands	1989	1988	% chg
AT&T telephone service	314,334	291,034	8.0
AT&T technologies	16,[illegible]	23,013	(27.9)

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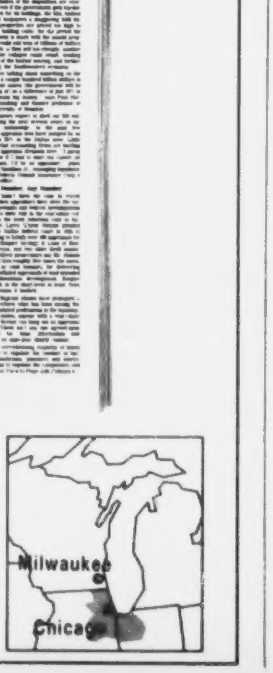

Source: WSJ 1990 Benchmark Subscriber Study
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Top 25 magazine advertisers

		Magazine spending			Total U.S. ad spending		Magazine as % of total	
Rank	Advertiser	1989	1988	% chg	1989	1988	1989	1988
1	**Philip Morris Cos.**	$281.5	$271.3	3.7	$2,072.0	$2,028.4	13.6	13.4
2	**General Motors Corp.**	213.5	190.8	11.9	1,363.8	1,290.6	15.7	14.8
3	**Ford Motor Co.**	135.2	125.5	7.7	602.1	565.2	22.5	22.2
4	**RJR Nabisco**	132.8	116.9	13.6	703.5	740.9	18.9	15.8
5	**Chrysler Corp.**	131.3	104.9	25.2	532.5	476.4	24.7	22.0
6	**Procter & Gamble Co.**	118.9	108.0	10.1	1,779.3	1,655.8	6.7	6.5
7	**Nestle SA**	77.2	62.7	23.2	608.4	552.8	12.7	11.3
8	**Unilever NV**	73.0	84.8	(14.0)	604.1	649.1	12.1	13.1
9	**AT&T Co.**	71.1	66.2	7.3	567.7	547.1	12.5	12.1
10	**Grand Metropolitan PLC**	69.3	61.1	13.4	823.3	754.6	8.4	8.1
11	**Time Warner**	59.5	65.6	(9.3)	567.5	505.6	10.5	13.0
12	**Revlon Group**	59.2	42.5	39.4	196.5	176.1	30.1	24.1
13	**Honda Motor Co.**	56.7	47.2	20.1	298.8	243.3	19.0	19.4
14	**American Brands**	55.1	35.9	53.5	204.2	168.0	27.0	21.4
15	**Toyota Motor Corp.**	53.2	36.5	45.9	417.6	273.0	12.7	13.4
16	**Sony Corp.**	51.7	42.1	22.7	356.5	275.4	14.5	15.3
17	**B.A.T. Industries PLC**	48.9	29.0	68.8	196.4	150.5	24.9	19.3
18	**Eastman Kodak Co.**	45.6	33.4	36.7	718.8	732.2	6.4	4.6
19	**Bristol-Myers Squibb Co.**	44.3	43.6	1.5	451.6	424.2	9.8	10.3
20	**U.S. Government**	43.0	33.4	28.7	309.5	294.3	13.9	11.4
21	**E.I. du Pont de Nemours & Co.**	40.9	34.7	17.9	133.2	126.3	30.7	27.4
22	**Franklin Mint**	40.4	49.0	(17.5)	NA	NA	NA	NA
23	**Mazda Motor Corp.**	39.1	29.2	33.6	196.3	146.9	19.9	19.9
24	**General Electric Co.**	38.3	36.7	4.3	243.2	274.5	15.8	13.4
25	**Sara Lee Corp.**	36.2	34.7	4.1	357.9	324.4	10.1	10.7

Note: Dollars are in millions. **Source:** LNA/Arbitron. See Page 2 for methodology and other source information.

AA chart: Kevin Brown

By top brands	1989	1988	% chg
AT&T telephones	11,936	15,057	(20.7)
AT&T computers	3,275	1,307	150.5
AT&T telephone systems	2,373	5,330	(55.5)
AT&T facsimile	1,845	2,904	(36.5)
AT&T networking systems	1,637	731	123.8

■ Sales & earnings ($ in millions)

Worldwide	1989	1988	% chg
Sales	36,112	35,210	2.6
Earnings	2,697	(1,669)	NA

Division sales	1989	1988	% chg
Telecommunications	19,526	18,525	5.4
Business, data, consumer products	7,638	7,916	(3.5)
Network systems	2,166	1,942	11.5

■ Annual review

How does AT&T stem market share erosion in its long-distance service and add a revenue-packed business at the same time? It seems to have done both this spring with the introduction of the Universal Card.

The combined telephone calling card and general purpose bank card available as either a Visa card or MasterCard also is likely to push AT&T total advertising back into double-digit growth after advancing only 3.8% in 1989 over the prior year.

"The card has a dual purpose," said Frank Governali, VP, First Boston. "It helps reduce customer churn. Residential customers probably will be less willing to shift long-distance carriers. And there is a lot of money to be made in that area [cards]."

The card, which offers a 10% discount on AT&T long-distance calling service, has been offered free to customers who sign up in 1990 and use it at least once a year. By mid-August, advertising bearing the theme, "There is One World, One Card," had helped push Universal accounts well ahead of projections—to 2.7 million with 4.6 million cardholders. Ad spending levels for the card are running high. AT&T was monitored spending $2.7 million, mostly in network TV, on the card in the first quarter, according to LNA/Arbitron. The card was only introduced March 26.

Long-distance service remains AT&T's dominant business, although its market lead is shrinking. In 1989, it captured a 66.4% share of total revenues, followed by MCI at 12.5% and US Sprint, 8.3%, according to Northern Business Information, New York. That hold in 1990 will shrink to 64.4%, as MCI pulls 13.7% and US Sprint, 9.1%. The overall market is expected to grow 8.5% this year.

AT&T in 1989 reapportioned its media ad spending by funneling dollars that went into corporate image building advertising in 1988 into long-distance services. General promotion expenditures dropped by $65 million. Long-distance lines added $11 million to reach $82.4 million; long-distance business lines added $46 million to hit $93.6 million and overseas long-distance spending advanced $20 million to $44.7 million. AT&T virtually eliminated teleconference service spending that reached $8 million in 1988.

Media usage shifted slightly as AT&T's network TV dollars declined 6.4%. Network still accounted for 45% of total media.

AT&T's long-distance advertising in late 1989 and early 1990 used dramatized testimonials of people who had switched to rivals MCI and US Sprint and hadn't experienced the cost savings or service they expected. The ads were tagged, "Aren't you glad you never left." That effort led to "Put it in Writing," the campaign that broke this May. Ads urged consumers to get competitors' service and price claims in writing. It sparked a retaliatory campaign from US Sprint this August that said it did provide written estimates and urged AT&T to lighten up.

"The revenue growth will be a lot more hard won now than for the first few years after divestiture. It's a tight race all around. The emphasis is not on market share anymore. The emphasis is on revenue growth. And the next big growth opportunity is the low-end market—residential, and small-to-medium-sized businesses," said Carole Craven, NBI senior analyst.

"AT&T is really going after small- and medium-sized accounts that cost more in terms of manpower and money to win. The gains are not as dramatic," Ms. Craven said. Price competition also has reduced margins in the high-end market for large businesses, she said.

AT&T in late February broke a high-profile network TV campaign for its "Reach Out America" calling plan, featuring Bo Jackson. AT&T has enhanced its "Reach Out America" calling plan by introducing a half-hour plan and more fully discounting the 24-hour plan, due to competition. "Reach Out America" has doubled its subscribers in the last two years.

AT&T in 1989 acquired Paradyne Corp., a U.S. maker of data communications equipment, and ISTEL, one of the largest private phone networks in Europe. ISTEL will likely become AT&T's gateway for electronic messaging and computer products in international markets. AT&T also purchased an interest in Italtel, manufacturer of telecommunications systems in Italy.

AT&T Computers Systems business is recovering from a couple of years of misdirection, said Mr. Governali. After years of unprofitability, AT&T has found a niche in stressing computer networking and it is betting on the success of its Unix operating system. AT&T has about 2% of the $103 billion U.S. market for computer hardware, software and services, compared to IBM's 30%.

■ Headquarters

American Telephone & Telegraph Co.
550 Madison Avenue
New York, N.Y. 10022-3297
(212) 605-5500

■ Marketing personnel

J. Kent Planck, corp vp-adv; Robert W. Watson, dir-adv svcs; Paula Horii, dir-corp adv; R. Zack Manna, corp adv-events mktg dir; Mary Lou Floyd, mgr-corp adv & cultural programs; Mary Ann Thiem, mgr-corp local adv; Roger Greene, mgr-corp ethnic adv; Linda Urben, corp bdcast mgr; Maryanne Seduski, corp print media mgr; Curtis Steinhoff, dist mgr-corp event mktg.

■ Brands

Corp adv

Ad agency: N W Ayer, New York. Amanda Hahn, vp-mgmt super.

Corp arts & underwriting

Ad agency: Serino Coyne, New York. Dale Barlow, exec vp-acct mgmt.

Black adv, Hispanic adv

Ad agency: UniWorld Group, New York. Herman Morales, sr vp; Linda Dukette, vp-acct super.

■ Division

AT&T Consumer Communications Services
Basking Ridge, N.J.

■ Marketing personnel

David Robertson, dir-adv.

■ Brands

Consumer long distance

Ad agency: N W Ayer, New York. Diane Whitehead, sr vp-mgmt super.

Ethnic adv

Ad agency: Y&R/Bravo, New York. Daisy Esposito, pres-creative dir.

Business services

Ad agency: McCann-Erickson, New York. Tom Driscoll, sr vp.

■ Division

AT&T Corporate International
New York

■ Marketing personnel

Paula Horii, dir-corp adv.

■ Brands

AT&T Intl. Corp. adv

Ad agency: Ogilvy & Mather, New York. Cynthia Round, sr vp-grp dir.

Special service long distance

Ad agency: Young & Rubicam, New York. Mort Lowenstein, exec vp-worldwide grp dir.

■ Division

International Communication Services
Basking Ridge, N.J.

■ Marketing personnel

Jackie Woodall, div mgr.

■ Brands

Intl. Communication Svcs-Hispanic adv

Ad agency: Young & Rubicam, New York.

Consumer & business adv-Puerto Rico

Ad agency: Marti Flores Prieto & Wachtel, Puerto Rico.

■ Division

AT&T Consumer Products
Parsippany, N.J.

■ Marketing personnel:

Richard Tilden, adv & prom dir.

■ Brands

Consumer telephones

Ad agency: N W Ayer, New York. Peter Varvara, vp-mgmt super.

■ Division

Business Communications Services
Bridgewater, N.J.

■ Marketing personnel

Karen Vereb, dir.

■ Brands

Domestic business, long distance, Pro WATS, 800

Ad agency: McCann-Erickson, New York. Eric Keshin, sr vp-mgmt rep.

Domestic business, long distance, direct mktg

Ad agency: Bronner/Slosberg, Boston, Mass. Jean Alexander, vp & assoc.

Domestic business, PBX products

Ad agency: Ogilvy & Mather Direct, New York. Cathy Tweedy, grp dir.

Business Communications Systems

Ad agency: Ogilvy & Mather, New York. Cynthia Round, sr vp-grp dir.

■ Division

Universal Card Services
Jacksonville, Fla.

■ Marketing personnel

Barbara Bromberg, vp-adv & mktg comms, credit card.

■ Brand

Universal Card

Ad agency: Lord Einstein O'Neill & Partners, New York. Kathy Moriarty, mgmt super.

Ad agency: Chapman Direct, New York. Barbara Jack, sr vp-genl mgr.

■ Division

Consumer Communications Services
Basking Ridge, N.J.

■ Marketing personnel

Dave Robertson, adv dir.

■ Brands

Consumer business, residential, college

Ad agency: Young & Rubicam, New York. Bob Wells, sr vp-grp dir.

Military, college, hospitals

Ad agency: Keyes Martin, Springfield, N.J. Ted Lawrence, acct super.

Hispanic consumer long distance

Ad agency: Y&R/Bravo, New York. Daisy Esposito, pres-creative dir.

■ Division

General Business Systems
Parsippany, N.J.

■ Marketing personnel

Jon Wiese, dir-mktg.

■ Brands

America's Choice Program

Ad agency: Wunderman Worldwide, New York. Phil Cheevers, mgmt super.

Small Business Systems/Fax

Ad agency: Ogilvy & Mather, New York. Cynthia Round, sr vp-grp dir.

Small Business Systems/Fax

Ad agency: Ogilvy & Mather Direct, New York. Cathy Tweedy, grp dir.

■ Division

Capital Corp.
Morristown, N.J.

Marketing personnel

John Schneider, div mgr, financial svcs.

■ Brands

AT&T Credit Corp.

Ad agency: Carter/Cosgrove, Alexandria, Va. Vicki Williamson, vp.

Capital Corp.

Ad agency: Wordsmith, Chatham, N.J. Don Smith, pres.

■ Division –

Data Systems Group
Morristown, N.J.

■ Marketing personnel

Bill Nelson, vp-mktg.

■ Brands

Data Systems Group

Ad agency: Ogilvy & Mather, New York. Cynthia Round, sr vp-grp dir.

■ Division

Business Communications Systems
Bridgewater, N.J.

■ Marketing personnel

Douglas Ritter, adv dir.

■ Brands

Business Communications Systems

Ad agency: Ogilvy & Mather, New York. Frances Wu, acct exec.

Business Communications Systems-direct marketing

Ad agency: Ogilvy & Mather Direct, New York. Betsy Weiser, vp-mgmt super.

■ Division

Call Interactive

■ Marketing personnel

Brian Rivette, vp mktg.

■ Brands

Interactive Voice Services

Ad agency: Wunderman Worldwide, New York. Lester Wunderman, chmn; Steven Dapper, pres; Marc Wunderman, vp-mgmt super; Mike Becker, chief creative.

■ Division

Federal Systems
Greensboro, N.C.

■ Marketing personnel

Linda Edgerton, sr mgmt spec.

■ Brands

Federal Systems

Ad agency: FCB/Leber Katz Partners, New York. Mike Emerson, sr acct exec.

■ Division

AT&T Microelectronics
Morristown, N.J.

■ Marketing personnel

Mike Neavill, pr dir.

■ Brands

AT&T Microelectronics

Ad agency: FCB/Leber Katz Partners, New York. John Uusitalo, adv dir.

■ Division

New Ventures

■ Marketing personnel

Roger Greene, adv mgr.

■ Brands

New Ventures

Ad agency: FCB/Leber Katz Partners, New York. Mike Emerson, sr acct exec.

■ Division

AT&T Network Systems
Morristown, N.J.

■ Brands

AT&T Network Systems

Ad Agency: FCB/Leber Katz Partners, New York. Tom Carroll, sr vp-mgmt dir.

RANK: 59

B.A.T. Industries

London
Ad spending: **$196.4** million

■ U.S. ad spending ($ in thousands)

By media	1989	1988	% chg
Magazine	48,925	28,976	68.8
Sunday magazine	4,216	3,810	10.7
Newspaper	20,030	22,210	(9.8)
Outdoor	27,667	24,270	14.0
Spot TV	2,401	1,460	64.4
Network radio	3,333	2,019	65.1
Spot radio	1,647	167	884.0
Measured media	108,219	82,912	30.5
Unmeasured	88,200	67,600	30.5
Total	196,419	150,512	30.5

By top brands	1989	1988	% chg
Capri cigarettes	29,638	31,323	(5.4)
Saks Fifth Avenue apparel	20,266	16,229	24.9
Kool cigarettes	19,655	19,090	3.0
Viceroy cigarettes	13,355	11	NA
Richland cigarettes	10,864	6,593	64.8
Breuner	6,951	5,551	25.2
Farmers Insurance Group insurance	5,842	3,050	91.6
Saks Fifth Avenue drugs & toiletries	1,737	1,226	41.7
Saks Fifth Avenue misc.	1,489	1,323	12.6
Belair cigarettes	1,452	0	NA

■ Sales & earnings ($ in millions)

Worldwide	1989	1988	% chg
Sales	36,224	31,276	15.8
Earnings	3,030	2,229	36.0

U.S.	1989	1988	% chg
Sales	7,849	5,852	34.1
Trading profit	1,656	927	78.7

Division sales	1989	1988	% chg
Tobacco	11,895	10,536	12.9
Retailing	6,563	6,006	9.3
Paper	2,937	2,895	1.4
Financial svcs	9,625	6,851	40.5
Other	1,185	976	21.4

■ Notes: Sales and earnings figures are converted at the rate of 1.67424 and 1.7717 dollars to the pound in 1989 and 1988, respectively.

■ Annual review

Faced with a hostile takeover attempt by Sir James Goldsmith and sizable debt from its purchase of Farmers Group of Los Angeles, British conglomerate B.A.T. Industries PLC earlier this year sold off much of its American holdings.

The divestitures left B.A.T. with Farmers and Brown & Williamson Tobacco Corp. as its only major operations. Both subsidiaries now report directly to England.

The brouhaha precipitated by the takeover attempt had little impact on B.A.T.'s ad spending in the U.S. in 1989, which increased almost 39% across the board: Marshall Field & Co. almost quadrupled its ad expenditures, to $32.9 million from $8.3 million; Saks Fifth Avenue jumped 25% to $24.7 million; Ivey's rose 17% to $2.6 million.

These operations are gone now. Marshall Field's and Ivey's went to Dayton Hudson Corp. for a combined total of $1.2 billion. Saks was snagged by Bahrain-based Investcorp for $1.8 billion. John Breuner Co. also was sold. Only spending by Sak's among former retailers is included in the B.A.T. total.

Brown & Williamson increased its ad spending by almost 29%, to about $75 million as domestic unit sales declined 1.7%, according to John C. Maxwell Jr., analyst with Wheat, First Securities. But since overall industry volume declined by a much larger 6.1%, B&W garnered its first share gain in four years, up 0.6 points to 11.5%.

Most of B&W's growth and most of its new ad monies were tied to the repositioning of Viceroy as a value-price brand and the regional introduction of a low-price version of Belair. Viceroy ad expenditures went from virtually nothing in 1988 to more than $13 million. Year-end results indicate the decision paid off. Sales of Viceroy increased to 6.59 billion units, up 86.7%, as it moved from an 0.6 share to 1.3% of market. Value-price is *the* growth segment of the cigarette market, increasing from 11% of market in 1988 to 15% in 1989.

With ad spending for Kool at $19.7 million, up only 2.1%, the flagship brand showed no movement in market share, which has been 6% since 1987. Conversely, Capri's share of market rose 0.1 points to 0.6%, despite an almost $3 million decline in ad spending to $29.6 million.

Farmers Group doubled its media expenditures to $6.2 million, according to LNA/Arbitron. A spokesman at the company said its actual ad budget was far greater than what was recorded in the nine-media totals by LNA/Arbitron. In net premiums written, the company moved from seventh to sixth in 1989 on premiums of $5.9 billion.

■ Headquarters

B.A.T. Industries PLC
Windsor House, 50 Victoria St.

Bristol links ozone, beauty

Altruism is not generally a product benefit in the beauty-care industry, but Bristol-Myers Squibb has made it one with the introduction of Clairol ClairMist hair sprays with ads proclaiming: "Preserve the earth's ozone, as well as your own beauty."

London SW1H 0NL

Division

Brown & Williamson Tobacco Corp
Louisville, Ky

Marketing personnel

R A Fitzmaurice, sr vp-mktg & field sales support, L W Butler, sr vp-field sales; I D Macdonald, vp-mktg, G A Korfhag, vp-field sales support; C G Newton, dir-mktg research, H C Howells, dir-brand mgmt, R D Sharp, grp dir-mktg svcs, W T Carpenter, N G Naughton, grp prod dirs, M S Kovatch, sr brand mgr, R G Stevens, R M Grimes, N J Wilkerson, M C Caavan, brand mgrs, D E Seagle, S R Smith, T M Leezer, E A Paulley, M K Kimmel, E D Cawood, D J Anderson, brand assocs; G Lyttle-Green, dir-mktg mgr, F Canary, mktg svcs mgr, N A Spriggs, media svcs mgr; C L Barlow, merch & special promos mgr; D A Payton, adv prodn asst; K F Lyle, special promos coord

Brands

Kool, Raleigh, Belair, Viceroy

Ad agency Campbell-Mithun-Esty, New York Mike Aldrich, acct super-Kool; Stan Adams, acct super-Raleigh & Viceroy; Jack Fitzgibbons, acct super-Belair

Barclay, new products

Ad agency Tatham-Laird & Kudner, Chicago Steve Hanika, acct super

Capri, Richland, media buying services-all brands

Ad agency Geer, DuBois, New York Nancy Korda, acct super-Capri; Jamie Michaelson, acct super-Richland

Division

Farmers Group
Los Angeles

Corporate personnel

Leo E Dunlea Jr, pres-chmn-ceo

Marketing personnel

Martin D Feinstein, vp-mktg, Rick Wright, adv dir

Brands

Insurance (all types)

Ad agency Foote, Cone & Belding, Los Angeles Tim McPartlin, sr vp-grp mgmt dir; Thomas R Wood, vp-mgmt dir

Colgate gets Soviet seal of approval

Colgate toothpaste, the world's No 1 toothpaste brand, this July was endorsed by the Soviet Ministry of Health's Central Scientific Research Institute of Stomatology after passing the Institute's clinical tests. All packs sold in the U.S.S.R. will bear the institute's seal

RANK: 97

Bayer AG

Leverkusen, W. Germany
Ad spending: **$112.0** million

U.S. ad spending ($ in thousands)

By media	1989	1988	% chg
Magazine	2,168	2,148	0.9
Sunday magazine	381	572	(33.5)
Newspaper	326	356	(8.5)
Outdoor	135	166	(18.3)
Network TV	35,245	42,160	(16.4)
Spot TV	6,936	6,231	11.3
Syndicated TV	4,162	886	370.0
Cable TV networks	4,249	3,136	35.5
Network radio	11,563	18,701	(38.2)
Spot radio	707	90	690.1
Measured media	65,872	74,454	(11.5)
Unmeasured	46,100	52,100	(11.5)
Total	111,972	126,554	(11.5)

By top brands	1989	1988	% chg
Alka-Seltzer cold prods	22,038	25,551	(13.7)
Alka-Seltzer antacids	17,232	17,756	(3.0)
Flintstones vitamins	8,208	12,186	(32.6)
One-a-Day vitamins	4,209	5,782	(27.2)
S O S oven cleaning pad	3,811	0	NA
S O S scouring pads	2,449	2,439	0.4
Bugs Bunny vitamins	1,995	756	163.9
Bactine medicated skin products	1,284	1,817	(29.3)
Glass Works cleaner	1,284	4,003	(67.9)
Haver flea control	1,242	0	NA

Sales & earnings ($ in millions)

Worldwide	1989	1988	% chg
Sales	23,072	23,156	(0.4)
Earnings	1,128	1,092	3.2

U.S.	1989	1988	% chg
Sales	5,425	4,718	15.0
Earnings	154	124	24.2

Division sales	1989	1988	% chg
Polymers	3,788	2,279	66.2
Organic prods	3,225	1,891	70.6
Industrial prods	4,913	2,777	76.9
Health care	4,245	1,215	249.3
Agrochemicals	2,909	1,225	137.6
Other	3,991	NA	NA

Notes: Sales and earnings figures are converted at the rate of 0.53285 and 0.57220 dollars to the deutschmark in 1989 and 1988, respectively

Annual review

Decreased advertising for Alka-Seltzer and for vitamin brands contributed to an 11.5% drop in U.S. media spending for Bayer AG, the West Germany-based company whose U.S. advertising is centered almost wholly at Miles Inc.

However, advertising for Alka-Seltzer, the franchise product at Elkhart, Ind.-based Miles, is expected to be up for full-year 1990, because of spending for a new line extension—Advance Formula Alka-Seltzer—launched last fall, according to Kline & Co.

The company spent an estimated $11.7 million in media, not including heavy spending for couponing and sampling, to introduce the lemon-flavored, low-sodium, acetaminophen-containing Advance Formula Alka-Seltzer. The Alka-Seltzer line received $39.2 million in media, down 12.8%. It represented 60% of Bayer's total media spending in the U.S.

Advanced Formula fizzes just like the old Alka-Seltzer, but the "fizz" antacids, where Alka-Seltzer has a 90% share, lag in sales behind tablets and liquids. The extension was introduced for new users—those who didn't like the taste of Alka-Seltzer or were put off by its aspirin or sodium content, said Miles spokeswoman Dionn Tron.

The antacid category as a whole grew only 2% in 1989, but Kathryn Griffie, a Kline & Co. consultant, sees 1989 as the lull before a storm of new products and increased advertising and sales. "The trend is toward extra-strength and better flavors. Everyone is introducing them in anticipation of the prescription brands going OTC," she said.

In the early to mid-'90s, patents will be running out on currently prescription-only antacids, Tagamet, Carafate, Pepcid and Zantac, she said.

New products from Alka-Seltzer's competitors include Pepto-Bismol Maximum Strength (P&G), Maalox's cherry cream and mint cream flavor, liquid and tabs, Tums' peppermint and cherry flavors and Warner-Lambert's Extra Strength Rolaids.

Advertising from Wells, Rich, Greene started in September 1990 for an extension to Alka-Seltzer Plus Cold Medicine brand—Alka-Seltzer Plus Sinus Allergy Medicine.

Alka-Seltzer Plus Cold medicine and Alka-Seltzer Plus Nighttime Cold medicine together claimed a 10% share and second place in the adult cold remedy market in 1989. Nyquil led with 14%. The two products received $22 million in media, down 15%.

Miles' Bugs Bunny and Flintstones vitamins "pretty much stayed on top of the market due to their advertising," said Ms. Griffie.

Bugs Bunny just celebrated his 50th anniversary this year. Bugs' media backing more than doubled to $2 million, as the more heavily advertised Flintstones attracted about $8.2 million in media, down 33%.

Flintstones remained sales leader with a 15% share, unchanged from 1988. Bugs claimed No. 3 with an unchanged 5%. Private label products saturate the market. American Cyanamid's Centrum Jr. remained second at 6%, same as in 1988. New competition is afoot from McNeil Consumer Products Co. (Johnson & Johnson), which recently introduced Sesame Street.

Miles One-A-Day Vitamins for adults hasn't fared as well as its kiddie counterparts. One-A-Day's dollar volume dropped 5% as the company reduced media spending by 19% to $4.2 million. Its market share remained at 3%, third behind American Cyanamid's Centrum and Bristol-Myers Squibb's Theragran, both at 6%. Private label brands hold 60% of the market.

Sales of Miles' antiseptic-anesthetic Bactine remained unchanged in 1989, as ad support dropped 32% to $1.3 million.

Measured ad support for Miles home cleaning products—S.O.S pads and glass cleaners—was up 8% to $7.5 million. Zwiren, Collins, Karo, Trusk & Ayer of Chicago, which had the glass cleaner account, picked up S.O.S pads from Griffin Bacal.

Cutter insect repellents, also formerly handled by Griffin Bacal, went in-house. Cutter is advertised very little in media.

Miles' consumer healthcare products in July came under the supervision of new division president, Werner Spinner.

Headquarters

Bayer USA
One Mellon Center
500 Grant St
Pittsburgh, Pa 15219-2502
(412) 394-5500

Corporate personnel

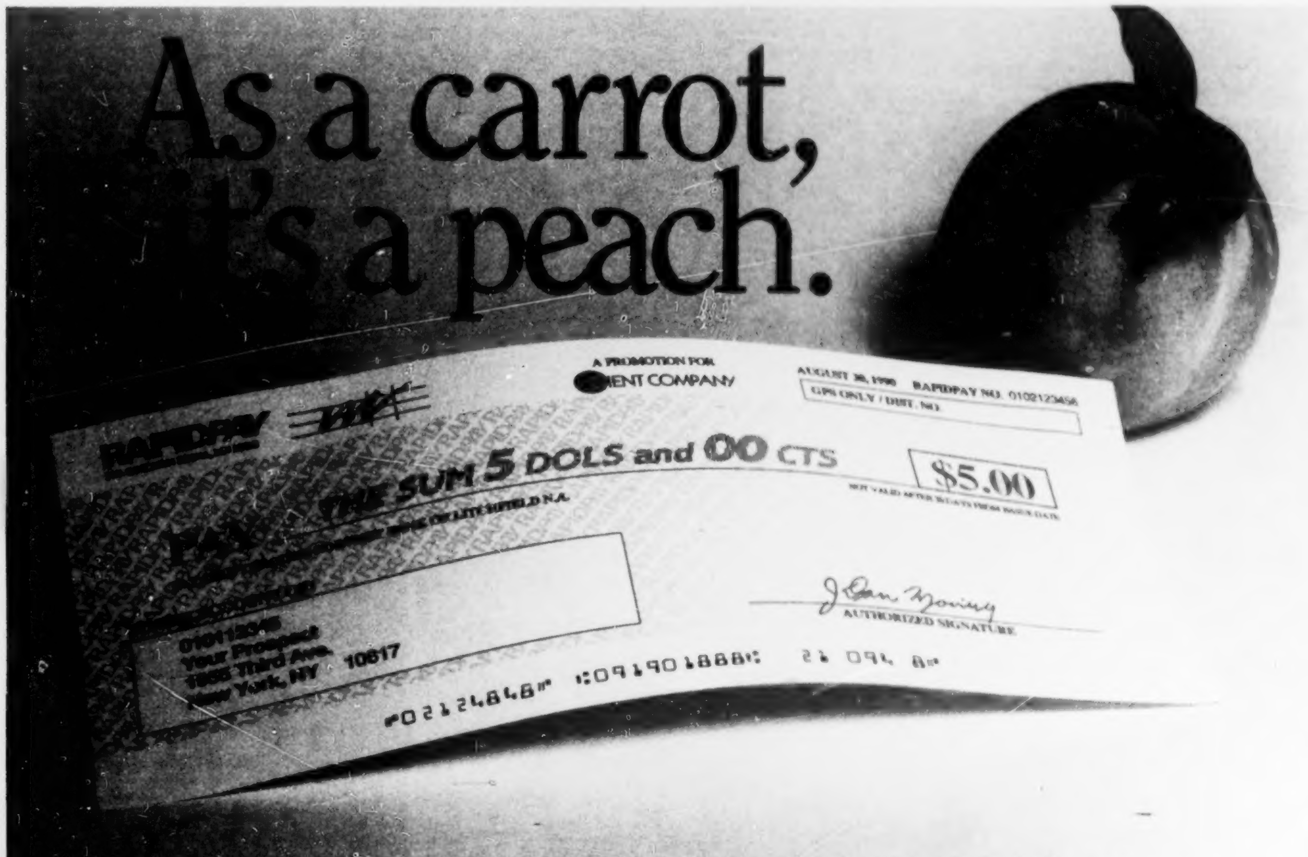
Elliot S Schreiber, vp-corp comms; Maril Gagen MacDonald, Stephen F Lee, mgrs-corp comms

Division

Mobay Corp
Pittsburgh

Corporate personnel

Hermann R Werner, exec vp-Plastics & Rubber Div; H Lee Noble, exec vp-Pol-



[illegible] comes to inducements, [illegible] money. And that's [illegible] RAPIDPAY mails to [illegible] or prospects, [illegible] the form of a check. [illegible] customer endorses [illegible] signing [illegible] goods or serv- [illegible] RAPIDPAY [illegible] de- [illegible] bank [illegible] quicker [illegible]

companies marketing everything from pharmaceuticals, foods, and beverages to magazine subscriptions and credit cards.

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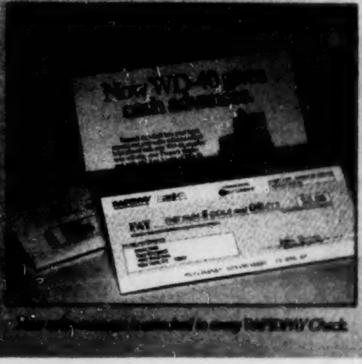

RAPIDPAY
Money Talks.

A joint program of
Gelco Payment Systems, Inc.
One Corporate Center
7301 Ohms Lane
Edina, MN 55435
612/632-3561

The Promotion Group, Inc.
300 East 42 Street
New York, NY 10017
212/490-5656

Top 25 newspaper advertisers

Rank	Advertiser	Newspaper spending 1989	1988	% chg	Total U.S. ad spending 1989	1988	Newspaper as % of total 1989	1988
1	**May Department Stores Co.**	$230.9	$220.4	4.8	$385.7	$369.8	59.9	59.6
2	**R.H. Macy & Co.**	183.6	183.2	0.3	312.7	310.6	58.7	59.0
3	**Sears, Roebuck & Co.**	153.6	157.3	(2.4)	1,432.1	1,031.4	10.7	15.2
4	**Campeau Corp.**	144.0	122.8	17.3	294.9	260.3	48.8	47.2
5	**Dayton Hudson Corp.**	106.5	91.5	16.4	314.2	240.6	33.9	38.0
6	**American Stores Co.**	81.9	61.6	32.9	220.0	193.3	37.2	31.9
7	**J.C. Penney Co.**	81.4	74.2	9.7	407.5	394.8	20.0	18.8
8	**Continental Airlines Holdings**	72.2	82.2	(12.2)	119.6	128.8	60.4	63.8
9	**Montgomery Ward & Co.**	67.2	62.0	8.5	213.6	154.0	31.5	40.3
10	**K mart Corp.**	58.4	70.9	(17.6)	561.4	631.7	10.4	11.2
11	**General Motors Corp.**	55.7	83.3	(33.2)	1,363.8	1,290.6	4.1	6.5
12	**Carter Hawley Hale Stores**	55.3	73.8	(25.0)	126.6	158.3	43.7	46.6
13	**Time Warner**	42.4	45.1	(5.9)	567.5	505.6	7.5	8.9
14	**AMR Corp.**	41.0	28.5	43.8	131.0	120.5	31.3	23.6
15	**Woodward & Lothrop**	39.8	38.9	2.4	NA	NA	NA	NA
16	**AT&T Co.**	39.7	30.3	30.9	567.7	547.1	7.0	5.5
17	**Circuit City Stores**	37.6	29.6	26.9	131.2	101.0	28.7	29.3
18	**Tandy Corp.**	37.5	34.4	9.1	232.7	233.5	16.1	14.7
19	**Highland Superstores**	36.2	23.0	57.6	NA	NA	NA	NA
20	**Pan American World Airways**	35.3	28.5	23.9	NA	NA	NA	NA
21	**MCA Inc.**	30.5	24.1	26.8	219.9	157.1	13.9	15.3
22	**Dillard Department Stores**	30.3	32.4	(6.5)	NA	NA	NA	NA
23	**Sony Corp.**	30.2	27.8	8.5	356.5	275.4	8.5	10.1
24	**Philip Morris Cos.**	29.7	40.7	(27.0)	2,072.0	2,028.4	1.4	2.0
25	**Go Go Tours**	29.4	22.8	28.8	NA	NA	NA	NA

Note: Dollars are in millions. **Source:** LNA Arbitron. See Page 2 for methodology and other source information. **AA chart:** Kevin Brown

yurethane Div; Dr. Richard L. White, exec vp-Pigments & Ceramics Div; Dr. Jochen C. Wulff, pres-ceo, Dyes, Pigments & Organics Div; H.K. Wehner, exec vp-Agricultural Chemicals Div; H.K. Wehner, exec vp-Animal Health Div.

Marketing personnel

Richard J. Donati, mgr-industrial adv; N.T. Cullen, vp-mktg, Coatings Div; Dr. Peter-Rolf Mueller, dir-technology & mktg, Plastics & Rubber Div; G. Thomas Harrick, vp-mktg, Polyurethane Div; A. Stroucken, vp-mktg, Pigments & Ceramics Div; Thomas J. O'Neill, dir-mktg, Pigments & Ceramics Div; Emil Lansu, vp-mktg, Dyes, Pigments & Organics Div; Herb Klein, vp-mktg, Dyes, Pigments & Organics Div; Dr. G. Poeschel, dir-mktg, Agricultural Chemicals Div; R.K. Miller, mgr-adv, Agricultural Chemicals Div; U. Grabbe, dir-mktg, Animal Health Div.

Brands

Corp adv

Ad agency: Della Femina McNamee, Pittsburgh. Jeanne Smith and Casey Crossin, acct supers.

Agricultural Chemicals Div. Herbicides, insecticides

Ad agency: Valentine-Radford, Kansas City, Mo. Graeme Blasdel, account group super; Evan Davies, acct super; Rick Binkley, acct exec.

Division

Miles Inc.
Elkhart, Ind.

Marketing personnel

W. Spinner, corp vp-div pres; G.R. Fleischer, vp-mktg; R.C. Foyle, vp-sales; M.B. Streicker, dir-media operations.

Brands

Corporate media buying

Ad agency: Clifford A. Botway Inc., New York. Clifford A. Botway, chmn; Arthur Schreibman, pres.

Miles overseas military, Miles trade adv

Ad agency: Boger, Martin, Fairchild & Co., Elkhart, Ind. Robert M. Boger, pres.

Hispanic adv

Ad agency: Conill Advertising Associates, New York. Liz Castel, vp-client svcs; Ivan Pichardo, acct super.

Alka-Seltzer, Flavored Alka-Seltzer, Extra Strength Alka-Seltzer, Alka-Seltzer Advanced Formula

Ad agency: McCann-Erickson, New York. Rob McKinley, sr vp-grp acct dir.

One-A-Day vitamins, Bactine antiseptic, Bugs Bunny vitamins, Flintstones vitamins

Ad agency: Tatham-Laird & Kudner, Chicago. Robert Hilscher, sr partner.

Alka-Seltzer Plus Cold Medicine

Ad agency: Wells, Rich, Greene, New York. Richard Byrne, exec vp.

Division

Consumer Household Products
Chicago, Ill.

Marketing personnel

S.M. Reim, corp vp-div pres; J.R. McGrath, vp-mktg; C.C. Culshaw, vp-sales.

Brands

S.O.S Glass Cleaners

Ad agency: Zwiren, Collins, Karo, Trusk, & Ayer, Chicago. T. Collins, partner; D. Salyer, vp-acct mgr; J. Judy, acct exec; F. Wilso, research dir.

Division

Diagnostics
Elkhart, Ind.

Marketing personnel

R.G. Stoll, corp exec vp-business grp gm; A.D. Fiorillo, pres-N. America Div; H.J. Hoffman, vp-mktg, N. America; K.M. Murphy, mgr-mktg comms; J.G. Emgenbroich, comms mgr-Indiana/Ames; D.M. McKenna, comms mgr-NY/Technicon.

Brands

Diabetes consumer & professional products, Ames brands

Ad agency: Abelson-Taylor, Chicago. Dale Taylor, exec vp; Cindy Stone, vp.

Clinical hospital products, physician office products, Ames brand

Ad agency: Goble & Associates, Chicago. Ed Goble, pres; Jackie Fitzgerald, vp.

Clinical hospital products, Technicon brands

Ad agency: Harrison Starr, Weiner & Beitler, New York. Tom Harrison, pres; Joel Rosegin, sr acct exec; Jed Beitler, sr vp-dir client svcs.

Division

Pharmaceutical Products
West Haven, Conn.

Marketing personnel

H.K.D. Wallrabe, corp exec vp-div pres; G.B. Rosenberg, vp-mktg & sales; J.J. Patchen, dir-prod mgmt; R.J. Lamb, dir-sales.

Brands

Cipro

Ad agency: Lavey/Wolff/Swift, New York. Joe Noel, sr vp.

Nimotop

Ad agency: Rolf Werner Rosenthal, New York. Rick Snow, acct super.

Division

Hollister Stier
Spokane, Wash.

Marketing personnel

R.M. Galustian, grp exec vp-business, allergy; Rey Yvars, dir-U.S. mktg, sales; Charles Gursky, natl sales mgr.

Brands

Allergenic extracts

Division

Biological Products
Berkeley, Calif.

Corporate personnel

R.M. Galustian, grp exec vp-business unit head-biological prods.

Marketing personnel

W.G. Johnson, vp-mktg & sales; D. Mahoney, dir-sales.

Brands

Alpha I proteinase inhibitor

Ad agency: Deltakos, New York. Bob Vogel, acct exec.

Blood bag line

Ad agency: Rainoldi-Kerzner & Radcliffe, San Francisco. Jay Kerzner, vp-acct svcs.

Coagulation products

Ad agency: Rolf Werner Rosenthal, New York. Bruce Leeb, acct grp super.

Gamimune N

Ad agency: Carrafiello, Diehl & Associates, New York. Bill Allen, acct exec.

Division

Agfa Compugraphic Division
Wilmington, Mass.

Marketing personnel

Ken Draeger, pres; Robert Crevels, sr vp-electronic prepress sales & mktg; Jerry Stolt, sr vp-graphic systems; Peter Broderick, dir-mktg comm.

Brands

Computer graphics products

Ad agency: Anderson & Lembke, Stamford, Conn. Laura Donnelly, acct super.

Division

Agfa Matrix Division
Orangeburg, N.Y.

Marketing personnel

Gerald Wagner, pres; George Brys, sr vp-diagnostic imaging mktg; Wally Gorman, sr vp-diagnostic imaging sales; Tom Colucci, dir-mktg comms.

Brand

Medical imaging products

Ad agency: Anderson & Lembke, Stamford, Conn. Don Hall, acct super.

Division

Agfa Photo Division
Ridgefield Park, N.J.

Marketing personnel

John McGlyan, pres; Hans Kuhlmann, vp-finishing; Urs Stampfli, vp-retail; Rick Noyes, dir-mktg comms.

Brands

Professional photo finishing products

Ad agency: Kalmar Ad/Marketing Corp., Fort Lee, N.J. Doris Wiese, pres.

Retail film & products

Ad agency: McCann-Erickson, New York. Michael McCartan, sr vp.

Division

Haarmann & Reimer Corp.
Springfield, N.J.

Marketing personnel

Flavor grp: J.T. Murnane, vp-gm; James F. Reynolds, dir-mktg. Fragrance grp: Robert A. Higgins, vp-sales & mktg; Echard H. Schmidt, dir-mktg. Aroma Chems: William J. Ludlum, mktg mgr.

RANK: 79

Bell Atlantic Corp.

Philadelphia
Ad spending: **$132.0** million

U.S. ad spending ($ in thousands)

By media	1989	1988	% chg
Magazine	2,788	3,180	(12.3)
Sunday magazine	33	12	186.2
Newspaper	4,280	5,345	(19.9)
Outdoor	444	597	(25.7)
Network TV	284	183	55.4
Spot TV	38,373	32,041	19.8
Cable TV networks	18	1	NA
Spot radio	10,433	7,248	43.9
Measured media	56,652	48,606	16.6
Unmeasured	75,300	64,600	16.6
Total	131,952	113,206	16.6

By top brands	1989	1988	% chg
Bell Atlantic	22,564	17,243	30.9
New Jersey Bell directories	6,751	6,228	8.4
Chesapeake & Potomac directories	5,245	5,466	(4.0)
Bell of Pennsylvania Telephone	3,984	4,017	(0.8)
Chesapeake & Potomac Telephone	3,419	4,825	(29.1)
New Jersey Bell Telephone	2,219	3,449	(35.7)
Pulse One car phones	1,252	0	NA

Sales & earnings ($ in millions)

Worldwide	1989	1988	% chg
Sales	11,449	10,880	5.2
Earnings	1,075	1,317	(18.4)

Division sales	1989	1988	% chg
Local access	4,406	4,279	3.0
Network access	2,778	2,650	4.8
Toll services	1,513	1,492	1.4
Directory advertising	1,481	1,404	5.5
Other communication	649	581	11.8
Financial, real estate	695	569	22.2

Annual review

Bell Atlantic is putting its marketing muscle behind a rash of new services featured in the current running "We're more than just talk" TV ad campaign.

Caller ID, Call Block, Return Call, Call Waiting, Call Forwarding among others—all part of the Baby Bell's Intelligent Network—are setting up the company for long-term profits and, in the near-term, increased ad and marketing expenditures in 1990.

The residential campaign, created by J. Walter Thompson USA, is running in five of the nation's top markets—Washington, D.C., Baltimore, Philadelphia, Pittsburgh and, northern New Jersey-New York—except for spots touting Caller ID, in all but one. The service is banned in Pennsylvania.

Bell Atlantic is appealing the ban that had been pressed by consumer and civil liberty groups over issues of right to privacy. The service identifies the number of an incoming call.

Bell Atlantic "has been first in rolling out such phone services," said Frank Governali, VP, First Boston. "From a marketing standpoint, it's been a good strategy for raising awareness. Those services will have a long-term impact on the bottom line. It's good profit, but longer term."

The current corporate campaign, targeted to businesses, is designed to publicize Bell Atlantic's capabilities in systems integration and disaster recovery. There is also a vertical section—applications that are aimed at certain targeted segments such as banking, insurance and healthcare. Ads bear the "We're more . . ." line.

Bell Atlantic spent $6.7 million, up 24%, in 1989 on general promotion, a figure capturing a portion of the "We're more than just talk" campaign that began in September 1988. Prior to the campaign, the various operating units handled their own advertising with local agencies, but a restructuring shifted those responsibilities to the corporate level, leading to the appointment of J. Walter Thompson USA.

Yellow Page advertising overall remained flat at $16.6 million, virtually all in spot TV. New Jersey Bell Yellow Pages spending was $6.75 million in 1989, up 8.8%. Chesapeake & Potomac Yellow Pages spending dropped 5.5% to $5.2 million. Bell of Pennsylvania Yellow Pages advertising totaled $4.6 million, a dip of 4.2%.

Actor James Earl Jones appeared in Bell Atlantic Yellow Pages advertising continuing the "Matchmaker" theme. Lewis, Gilman & Kynett, Philadelphia, is the agency.

Bell Atlantic Mobile Systems ad spending grew to $316,000 in 1989, up 12.9% from $280,000 in 1988, all in outdoor. In 1989, the Mobile Systems division experienced an 88% increase in its customer base. Bell Atlantic signed contracts with retailers, including Sears and Macy's, to sell its service.

Bell Atlantic last year formed Bell Atlantic Europe S.A. in Brussels, to guide business development in Europe. The company is also pursuing opportunities in the Pacific-Rim.

Headquarters

Bell Atlantic
1600 Market Street
Philadelphia, Pa. 19103
(215) 963-6000

Corporate advertising personnel

Christopher E. Clouser, vp-corp relations & adv; Deanna Hess, asst vp-adv; Roy Weitzell, dir-corp adv; Charles Pacunas, dir-Yellow Pages & large business adv; Christina Clifton, dir-consumer & small business adv; Melanie van der Valk, dir-Bell Atlantic Mobile Systems adv.

Brands

Bell Atlantic corporate, product, international/Bell Atlantic

Ad agency: J. Walter Thompson USA, New York. Peter Hanley, sr vp-mgmt dir; Rich O'Leary, Vicki Derfler, vp-acct dirs; Robert Losi, vp-sr acct super; Julie Westerman, vp-acct super; Melissa Ator, Joe Pantigoso, acct supers; Linda Kaplan, Charlie Gennarelli, Brian Sitts, grp creative dirs; Richard Kostyra, exec vp-media dir; Mark Stewart, vp-assoc media dir; Jean Pool, sr vp-dir local bdcst.

Bell Atlantic Mobile Systems

Ad agency: W.B. Doner & Co., Baltimore. James Dale, vice chmn-corp creative dir; Donald Riesett, exec vp-acct mgmt dir; John Havrilla, vp-mgmt super; Nancy Knox, vp-acct super.

Bell Atlantic Yellow Pages

Ad agency: Lewis, Gilman & Kynett, Philadelphia. Len van Zyl, pres-ceo; Brian Gail, sr vp-grp mgmt super; Hal Rossiter, vp-mgmt super; Bruce Berkowitz, acct super; Julia Weiss, asst acct exec.

New Jersey Bell Yellow Pages

Ad agency: Poppe Tyson, Morris Plains, N.J. Michael Peroff, exec vp-gm; Brian Haumersen, John Manos, vp-acct supers; Judy Henehan, acct super.

Bell Atlantic Direct Marketing

Ad agency: Devon Direct Marketing and Advertising, Malvern, Pa. Ronald Greene, James Perry, mg dirs; Marianne Croze, vp-mgmt super; Ruth Trofa, vp-acct dir; Wendy Weisband, acct super; Kim Rainey, acct super.

RANK: 23

Bristol-Myers Squibb Co.

New York
Ad spending: **$451.6** million

U.S. ad spending ($ in thousands)

By media	1989	1988	% chg
Magazine	44,291	43,616	1.5
Sunday magazine	624	597	4.4
Newspaper	498	256	94.1
Outdoor	228	0	NA
Network TV	131,652	121,265	8.6
Spot TV	8,057	11,148	(27.7)
Syndicated TV	34,252	32,647	4.9
Cable TV networks	9,851	7,092	38.9
Network radio	4,893	3,591	36.2
Spot radio	1,371	1,167	17.5
Measured media	235,717	221,379	6.5
Unmeasured	215,900	202,800	6.5
Total	451,617	424,179	6.5

By top brands	1989	1988	% chg
Clairol hair coloring products	51,918	49,247	5.4
Nuprin pain reliever	29,620	26,027	13.8
Excedrin pain relievers	26,044	18,503	40.8
Bufferin pain relievers	16,567	17,918	(7.5)
Ban deodorants antiperspirants	14,037	12,552	11.8
Clairol hair sprays & styling prods	13,266	10,598	25.2
Comtrex cold products	12,396	10,344	19.8
Renuzit air fresheners	11,267	6,343	77.6
Vanish bowl cleaners	8,892	7,291	22.0
Drano drain cleaners	6,480	6,198	4.5

Sales & earnings ($ in millions)

Worldwide	1989	1988	% chg
Sales	9,189	8,558	7.4
Earnings	747	1,254	(40.4)

U.S.	1989	1988	% chg
Sales	6,478	6,013	7.7
Profit	1,259	1,462	(13.9)

Division sales	1989	1988	% chg
Pharmaceuticals	4,442	3,987	11.4
Non-prescription health products	1,662	1,638	1.5
Toiletries, beauty aids	1,858	1,831	1.5
Medical devices	1,227	1,102	11.3

Annual review

Bristol-Myers Squibb, which became a pharmaceutical juggernaut with the October 1989 merger of Bristol-Myers and Squibb Corp., moved to expand its marketing of OTC and consumer products—segments that have been saddled by sluggish returns the past two years.

Bristol, now the second largest pharmaceutical business in the world behind Rahway, N.J.-based Merck & Co., is much less consumer marketing driven after the merger. Some 26% of its sales are now pushed by consumer advertising compared to 39% in 1988.

The company has given no indication of downplaying its consumer product, toiletries and beauty aids and OTC drug lines. In fact, it stepped up advertising in 1989, and continues to reposition OTC products in 1990. Earlier this month, Bristol agreed to take a minority stake in France's UPSA Group and develop the Agen-based company's nonprescription drugs business worldwide. The deal will benefit Bristol on the Continent where it has little presence in OTC drugs. UPSA ranks No. 2 in Europe in analgesics and holds 30% of the French pain reliever market.

Bristol's haircare business generated more than $800 million sales in 1989, led by Clairol, the market leader in haircolor products with a 40% share. Media ad spending increased 4% to $65.6 million. Biggest Clairol line item spenders were Clairol Nice 'n Easy at $15.7 million, up 13.8%, and Clairol Ultress haircoloring gel at $13.5 million, up 15.4%. Haircare products accounted for 32% of all media spending at Bristol, or $75.5 million, up 4.6%.

More ad dollars were pumped into analgesics lines, except for Bufferin, which dropped 10% to $16.5 million. Nuprin ibuprofen received $29.6 million, up 12.5%, while spending for Excedrin spiraled 36.5% to $25.8 million, according to LNA/Arbitron. The huge jump came largely from Excedrin PM, a pain remedy that aids sleep. It drew $7.6 million versus only $1.4 million in media in 1988.

Aspirin Free Excedrin was introduced nationally with TV support this August and positioned squarely against Johnson & Johnson's market leader Tylenol, which in 1989 had a 21% market share in the $2.1 billion analgesics market—the nation's largest OTC drug market comprised of aspirin, acetaminophen and ibuprofen products. Aspirin Free Excedrin's main ingredient is acetaminophen,

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the same as in Tylenol

The new product is riding the market trend of declining aspirin sales. In 1989 aspirin's share of the overall market declined to 39.5% from 43% a year earlier. In comparison, acetaminophens took 38% of the market, up from 37%.

Bristol's other aspirin product, Bufferin, was repositioned as Bristol dropped ads promoting Bufferin as a second heart attack preventative. Bufferin got new TV and print ads in fall 1989 featuring actress Angela Lansbury and targeting older consumers who suffer occasional aches and pains.

All aspirin marketers basically gave up on second heart attack claims because the market of people who suffered a heart attack isn't big enough to sustain growing sales. Bristol applied to the FDA in 1989 for approval of professional labeling that would allow doctors to recommend aspirin every other day to reduce the risk of primary heart attack.

Bristol, faced with lagging sales for its ibuprofen brand, Nuprin, switched its $30 million Nuprin account in July 1990 from Grey Advertising to J. Walter Thompson USA, New York. In August, JWT broke a new campaign themed "Tell Nuprin where it hurts," replacing Grey's longtime "Little Yellow, Different, Better" campaign.

Nuprin sales grew just 2% in 1989 to about $90 million, while Advil (American Home Products) sales grew to $230 million, up 19%, making it the nation's second biggest pain remedy behind Tylenol, according to Kline & Co., a Fairfield, N.J.-based consultant.

New player Motrin IB from Upjohn further hurt ibuprofen players, garnering some $10 million in sales in less than one year on the market.

Comtrex Liqui-Gels, a line extension utilizing a new technology to encase medicine inside a smooth gelatin shell, was introduced in the cough-cold market. The new product is said to be easier to swallow than caplets and tablets. It drew $6 million in media spending, mostly network and syndicated TV.

Bristol introduced Renuzit Freshell, an air freshener in shell casing, to push the Renuzit line spending to $11.3 million in '89, nearly double its '88 media exposure.

Following the merger, Jan Leschley, president of Squibb Corp., resigned. On June 1, Bristol executive Marvin H. Koslow became president of North American Consumer Products Group from senior VP at the parent. He succeeded Ronald Ahrens, who left the company. Mr. Koslow is responsible for Bristol-Myers Products, Clairol and Drackett.

■ Headquarters

Bristol-Myers Squibb Co.
345 Park Avenue
New York, N.Y. 10154
212-546-4000

■ Marketing personnel

Thomas D. McCann, vp-corp. comms. Peter J. Spengler, vp-adv. svcs.

■ Division

N. American Consumer Products Group
New York

■ Corporate personnel

Marvin H. Koslow, pres.

■ Marketing personnel

Bristol-Myers Products: Stephen E. Bear, pres.; Peter R. Dolan, vp-mktg. Drackett: Thomas L. Dahl, pres.; John C. Hassan, vp-mktg. Clairol: Gerald C. Beddall, pres.; Michael Powell, vp-consumer mktg., established brands; Michael A. DeGennaro, sr vp-sales & business devel.; Nancy Flynn, vp-new product devel.; Jeanne Hansen, dir-mktg., appliances.

■ Division

Health Care Group
New York

■ Corporate personnel

Joseph G. Solari Jr., pres.

■ Marketing personnel

Zimmer: Ronald L. Davis, pres. Medical Engineering Corp.: Robert J. Helbling, pres.; Nancy Caffiero, vp-mktg. Xomed-Treace: W. Patrick Cusick, pres.; John Madding, vp-mktg.

■ Division

Bristol-Myers U.S. Pharmaceutical & Mead
Johnson Worldwide Nutritional Grp.
Evansville, Ind.

■ Corporate personnel

Raymond C. Egan, pres.

■ Marketing personnel

Bristol-Myers U.S. Pharmaceutical Grp.: Bruce R. Ross, pres.; Gary P. Gibson, vp-gm, B-M U.S. Pharmaceutical Div. Bristol-Myers Nutritional Grp.: Donald G. Harris, pres.; Kenneth J. Quakkelaar, vp-mktg.; John M. Bullock, vp-gm. Mead Johnson Nutritionals U.S.: Ronald W. Kuczuk, vp-sales. Westwood Pharmaceuticals: Wilfred J. Larson, pres.; Jeffrey B. Marsh, exec vp-mktg., sales & operations.

■ Division

Squibb U.S. & Bristol-Myers Squibb
International Pharmaceutical Group
Princeton, N.J.

■ Corporate personnel

Kenneth E. Weg, pres.

■ Brands

Excedrin, Final Net, Loving Care, Nice 'n Easy, Sea Breeze line, Silk & Silver, Special Effects, Instant Beauty, Clairol trade adv

Ad agency: DDB Needham Worldwide, New York. Rein Luik, exec vp; Lucille Cotugno, sr vp-mgmt. super.

4-Way, Drano line, Windex, Clairesse, Miss Clairol, Ultress, New User

Ad agency: Grey Advertising, New York. Clark Montgomery, Herbert Leiberman, exec vps.

Ban Roll-on, Bufferin, Clairol appliances, Comtrex, Congesprin, Vanish line, Behold, Endust, Renuzit Roommate, Renuzit Freshell, Fresh 'n Dry, Condition, Mr. Muscle, Keri lotion, Option, Presun, Lac-Hydrin

Ad agency: Laurence, Charles, Free & Lawson, New York. Susan Holson, mgmt-acct super; Robin Coval, mgmt-acct super, Comtrex; Richard Goldschmidt, acct super, Drackett; Linda Tilton, mgmt super, Condition.

Twinkle, O'Cedar

Ad agency: Fahlgren Martin, Cincinnati. Tim Seifert, pres.

Poly-Vi-Sol Flor, Tempra

Ad agency: Goble & Associates, Chicago. Jacqueline Fitzgerald, James Robinson, vps-client svcs.

Gerber

Ad agency: J. Walter Thompson USA, Chicago. Stephen G. Bowen Jr., pres.

Nuprin

Ad agency: J. Walter Thompson USA, New York. Alan Goltz, mgmt dir.

Theragran

Ad agency: Saatchi & Saatchi Advertising, New York. Rich Pounder, mgmt dir; John Haskins, acct exec.

Top 25 Sunday magazine advertisers

		Sunday magazine spending			Total U.S. ad spending		Sunday magazine as % of total	
Rank	Advertiser	1989	1988	% chg	1989	1988	1989	1988
1	**Franklin Mint**	$48.7	$29.7	64.0	NA	NA	NA	NA
2	**Sony Corp.**	21.0	18.5	13.3	356.5	275.4	5.9	6.7
3	**Sears, Roebuck & Co.**	16.0	3.4	367.9	1,432.1	1,031.4	1.1	0.3
4	**Philip Morris Cos.**	15.0	19.8	(24.5)	2,072.0	2,028.4	0.7	1.0
5	**American Brands**	14.6	12.3	19.1	204.2	168.0	7.1	7.3
6	**Hallmark Cards**	14.2	12.1	17.2	138.2	119.3	10.3	10.2
7	**Loews Corp.**	12.7	12.8	(0.9)	143.0	123.3	8.9	10.4
8	**General Motors Corp.**	12.3	16.0	(22.8)	1,363.8	1,290.6	0.9	1.2
9	**Bertelsmann AG**	10.1	8.9	13.1	NA	NA	NA	NA
10	**Brown Forman Co.**	9.0	4.7	91.3	NA	NA	NA	NA
11	**Revlon Group**	8.9	5.9	50.8	196.5	176.1	4.5	3.3
12	**Chrysler Corp.**	8.5	2.5	244.4	532.5	476.4	1.6	0.5
13	**K mart Corp.**	8.3	1.3	516.8	561.4	631.7	1.5	0.2
14	**Hamilton Collection**	8.1	6.9	17.0	NA	NA	NA	NA
15	**Pier 1 Imports**	7.6	2.1	267.9	NA	NA	NA	NA
16	**Wal-Mart Stores**	7.4	3.4	119.3	127.1	[illegible]	5.8	3.4
17	**AT&T Co.**	7.0	7.1	(1.4)	567.7	547.1	1.2	1.3
18	**Nutrition Headquarters**	7.0	6.1	14.2	NA	NA	NA	NA
19	**Raffoler Inc.**	6.7	1.4	385.1	NA	NA	NA	NA
20	**Primerica Corp.**	6.3	8.1	(21.9)	NA	NA	NA	NA
21	**MBI Inc.**	6.1	1.1	468.4	NA	NA	NA	NA
22	**Neutrogena Corp.**	5.6	4.3	30.6	NA	NA	NA	NA
23	**La-Z-Boy Chair Co.**	5.3	1.6	222.5	NA	NA	NA	NA
24	**Lady Royale**	5.1	4.3	18.6	NA	NA	NA	NA
25	**May Department Stores Co.**	5.0	5.0	(0.5)	385.7	369.8	1.3	1.4

Note: Dollars are in millions. **Source:** LNA/Arbitron. See Page 2 for methodology and other source information. **AA chart:** Kevin Brown

RANK: 57

Campbell Soup Co.

Camden, N.J.
Ad spending: **$196.7** million

■ U.S. ad spending ($ in thousands)

By media	1989	1988	% chg
Magazine	12,790	11,686	9.4
Sunday magazine	1,258	560	124.7
Newspaper	3,527	3,158	[illegible]
Outdoor	698	1,539	(54.6)
Network TV	62,779	53,574	17.2
Spot TV	14,772	27,578	(46.4)
Syndicated TV	11,091	5,883	88.5
Cable TV networks	4,365	[illegible]	42.8
Network radio	13,967	18,572	(24.8)
Spot radio	5,957	4,196	42.0
Measured media	131,204	129,795	1.1
Unmeasured	65,500	64,800	1.1
Total	196,704	194,595	1.1

By top brands	1989	1988	% chg
Campbell's soups	49,828	52,483	(5.1)
V-8 vegetable juice	11,386	10,534	8.1
Prego sauces	8,618	13,182	(34.6)
Pepperidge Farm cookies & crackers	7,909	10,108	(21.8)
Le Menu Dinners	7,859	11	NA
Campbell frozen foods	6,836	1,932	253.8
Swanson frozen foods	5,458	9,442	(42.2)
Vlasic condiments	4,462	5,023	(11.2)
Pepperidge Farm breads & rolls	3,981	2,322	71.5
Pepperidge Farm desserts	3,660	2,143	70.8

■ Sales & earnings ($ in millions)

Worldwide	1990	1989	% chg
Sales	5,706	5,672	(8.2)
Earnings	4	13	(66.4)

U.S.	1990	1989	% chg
Sales	4,527	4,233	6.9
Earnings before taxes	428	295	45.3

Division sales	1990	1989	% chg
Campbell U.S.	2,777	2,584	7.5
Pepperidge Farm	548	495	10.8
Vlasic Foods	441	353	25.1
Mrs. Paul's Kitchens	140	150	(6.8)
Campbell Enterprises	327	321	2.1
Campbell International	1,527	1,037	47.3

■ Notes: Fiscal year ended July 29, 1990

■ Annual review

Sluggish earnings and turmoil at the top translated into turbulent times for Campbell Soup Co. and its agencies in 1989 as the company appointed a new president and the future of the company's ownership became uncertain following the death of John T. Dorrance, son of Campbell's founder and a former chairman.

Plant closings, cuts in domestic workforce, agency dismissals, a reduction in the ad budget for fiscal 1991 and decisions to sell off units, including the proposed sale of U.S. Fresh Foods Group (Campbell's Fresh Produce, Mrs. Giles salads and Marie's dressings), were parts of a restructuring program instituted by Campbell last August.

The "back to basics" program is being spearheaded by new company President-CEO David W. Johnson, who joined the company in January to fill the position vacated in November by R. Gordon McGovern, who retired. Mr. Johnson came to Campbell from Gerber Products Co., where as chairman-CEO, he engineered a two-year turnaround.

Campbell in recent years has introduced a torrent of new products (300 between 1982 and 1987) and increased marketing spending at an average 15% annual clip—practices Mr. Johnson said he will re-evaluate.

Earnings meanwhile have been poor, compared with other food companies. A low rate of return for the stock has prompted one faction of the Dorrance family to press for sale of the company. John Dorrance's influence had kept the family, which altogether controls 58% of the stock, behind the company's directions in the past.

For fiscal 1991, which began July 30, the company's marketing budget will contract by 5%, according to Herb Baum, Campbell North American president who helped run the company before Mr. Johnson came on board. The new budget should be about $235 million worldwide for fiscal 1991.

Campbell moved toward greater agency accountability earlier this year as it concentrated its accounts with a few core agencies.

It transferred an estimated $25 million in billings for V-8 vegetable juice, Souper Combos, Swanson Frozen Foods and Mrs. Paul's seafood to incumbent shops FCB/Leber Katz Partners and BBDO Worldwide, New York. Losers in the consolidation were DDB Needham Worldwide, Hal Riney & Partners and Saatchi & Saatchi Advertising.

An agency compensation plan was introduced that tied compensation above a base rate of 13% to brand volume increase goals. Campbell also instituted a system giving agencies an 11.5% commission on in-store media.

Media-buying assignments were consolidated at FCB/Leber Katz Partners for cable and syndication, Backer Spielvogel Bates for spot TV, network and spot radio, BBDO Worldwide for prime time TV, and Ogilvy & Mather for daytime, kids and late-night TV, as well as unwired networks.

Campbell's strength remains its condensed soups, which hold a 66% share of that market. Ready-to-serve soups, such as Home Cookin' and Chunky soups, led the division in sales increases. Home Cookin' got $8 million in media backing, down 5%, and Chunky soups $10 million, down 16.9%.

Spending on red label condensed soups also declined 11%, to $25 million. Spending increased from $1.9 million in 1988 to $6.8 million for the Souper Combo microwaveable soup and sandwich line. Media for Special Request soups rose 106% to $4.4 million.

Mrs. Paul's seafood regained the No. 1 market share during 1990, according to company sources, with the help of ad spending of $8 million-$10 million. To do that it had to overtake General Mills' Gorton's brand at 22.6% compared with its own 20.3% share in 1989. The media portion of Mrs. Paul's budget was placed at $2.8 million (down 49.1%) by LNA/Arbitron.

Other strong performers were Prego spaghetti sauce, backed with $8.6 million, down 38.5%. Market share for Prego rose 1.7 share points to 24% of market in 1989 versus Ragu's 48.1%, down 2 points. Teddy O's and Sporty O's novelty-shaped pastas were added to the Franco-American Spaghetti O's line. The brand was backed by $2.2 million in media, up 59%.

Campbell's frozen dinner business continues to shift media emphasis from traditional Le Menu and Swanson offerings to Le Menu LightStyle and Swanson's Great Starts frozen breakfasts—the latter two receiving $12.1 million in media, up from $2.7 million in 1988. Great Starts was introduced in 1989. Le Menu LightStyle, a dollar cheaper than Le Menu but with lower fat content and fewer calories, entered the market in 1988. Campbell's Swanson and Le Menu lines held a 25.5% share of the $1.2 billion frozen dinner market at mid-year 1990, down from 27% at mid-year 1989.

Pepperidge Farm added a brownies line extension to its American Collection Frozen Desserts which went national in 1989. The line was backed with $3.6 million, up 70% from 1988 when it had limited distribution. Its frozen foods line was backed with $5.3 million in media. Pepperidge Farm cookies and crackers drew $8.3 million. Pepperidge Farm's share of the cookie-cracker market dropped from 5.9% in 1988 to 5.5% last year, far off Nabisco's leading 45% share.

■ Headquarters

Campbell Soup Co.
Campbell Place
Camden, N.J. 08103-1799
(609) 342-4800

■ Corporate personnel

D.W. Johnson, pres-ceo; H.M. Baum, pres-Campbell N. America.

■ Marketing personnel

P.N. Mulcahy, vp-adv., pres-CSC Adv.; A.J. Dale, pres-Campbell Sales Co.; A.J. Adams, vp-mktg. research; D.F. Macaulay, dir-design; G.D. Mahrlig, dir-media svcs; H.P. Pelouze, dir-promo.

■ Division

Soup Sector
Camden, N.J.

■ Corporate personnel

R.F. Bernstock, vp-Soup Sector

■ Marketing personnel

Condensed soup: D.G. Brewster, business dir.; F.P. Holmes, mktg. mgr.; A.L. Wadell, assoc mktg. mgr.; D.G. Thompson, sr mktg. mgr.; B.G. Walker, E. Sung, mktg. mgrs. Microwave soup: R. Kitchenoff, mktg. mgr. Ready-to-Serve soup: K. MacDonnell, business dir.; M.D. Foster, assoc mktg. mgr.; K.L. Voelkinger, G. Gano, asst mktg. mgrs.; T.L. Cruikshank, mktg. mgr. Dry soup: P.M. Gummeson, business dir.; W.B. Boundy, sr mktg. mgr.; J.M. Davidson, J.A. Rosati, mktg. mgrs.

■ Brands

Red & white condensed & dry soups

Ad agency: Backer Spielvogel Bates, New York. Dean Scaros, pres.; Ken Rogers, exec vp-mg dir., N.Y.; Norm Bierman, exec vp; Al Achenbaum, vice chmn-professional svcs; Roberto Calderin, Rob Desatnick, vps-mgmt reps; Nancy Adler, vp-acct super; Ann Meschery, sr vp-grp media dir; Randy Winter, acct super; Jon Renner, Paul Reily, acct execs; Lisa Gallagher, asst acct exec.

Ready-to-serve soups

Ad agency: BBDO, New York. Phil Dusenberry, chmn-ceo; Tom Carey, pres-chief operating officer; Anthony Brescia, sr vp-sr acct dir; Jayne Evans, vp-acct super; Linda Epifan, acct exec; Matt Dodds, acct exec.

■ Division

Convenience Foods
Camden, N.J.

■ Corporate personnel

J.F. Van Stone, Sector vp-convenience meals.

■ Marketing personnel

W.R. Lorgus, business director-frozen meals; A.D. van Beuren, business dir-frozen specialty foods; R. Schnorbus, business dir-Mrs. Paul's; G. Piszek, gm-Domsea; P.F. Goodman, group marketing mgr-traditional meals; M.S. Kessler, grp mktg. mgr-premium meals; G.S. Loesch, grp mktg. mgr-breakfasts; D. Kauffman, grp mktg. mgr-poultry & pies; M.G. Smith Sr., mktg. mgr-Swanson Entrees; R.M. Revelle, sr mktg. mgr-canned poultry; L. Rohrer-Murphy, mktg. mgr-LightStyle; J.P. Brennan, mktg. mgr-Swanson Dinners; R.A. Bader, mktg. mgr-LeMenu; A. Sakalay, mktg. mgr-Hungry Man Dinners; W. Tullis, mktg. mgr-breakfasts; D. Lynn, grp mktg. mgr-seafood; R. Davis, mktg. mgr-fillets & meals; R. Johnston, mktg. mgr-fish sticks, specialty seafood & vegetables; E. Brauer, operations mgr-Domsea.

■ Brands

Swanson, Mrs. Paul's

Ad agency: BBDO, New York. Phil Dusenberry, chmn-ceo; Anthony R. Brescia, sr vp-sr acct dir; Jayne G. Evans, vp-acct super, Swanson; Matthew Dodds, acct exec-Swanson; Ginny Callahan, acct coord-Swanson; John Berg, vp-acct super, Mrs. Paul's; Marykay Demetriou, acct exec-Mrs. Paul's.

Great Starts Breakfasts, LeMenu

Ad agency: Ogilvy & Mather, New York. Graham Phillips, chmn-ceo; Linda Cornelius, sr vp-grp dir; Trish McGovern, acct coord; Laurel Richie, vp-acct dir, Great Starts; Marcia Santoni, acct mgr-Great Starts; Natasha Kavanagh, vp-acct dir, LeMenu; Stacy Sass, acct mgr-LeMenu.

■ Division

Grocery Group
Camden, N.J.

■ Corporate personnel

R. Subin, vp-grp gm; G.T. Fassak, business dir-prepared foods; J.M. Dorsch, business dir-beverages.

■ Marketing personnel

M.H. Muller, sr mktg. mgr-beverages; H.G. Parker, L.A. Nussman, mktg. mgrs-beverages; T.C. Sager, G.K. Poirier, mktg. mgr-Prego; B.W. Curewitz, asst mktg. mgr-Prego; C.A. Hartmann, sr mktg. mgr-beans & pasta; N. Krawczyk, assoc mktg. mgr-pasta; L. Waterman, assoc mktg. mgr-beans.

■ Brands

Prego spaghetti sauce, V-8, Campbell's tomato juice, new products

Ad agency: FCB/Leber Katz Partners, New York. Bob Hirsch, sr exec vp-dir., acct mgmt.; Nancy Anderson, sr vp-grp mgmt dir.

Franco-American pasta, Campbell's Beans

Ad agency: CSC Advertising (in-house), Camden, N.J. Paul N. Mulcahy, pres.

■ Division

Campbell Food Service Co.
Camden, N.J.

■ Marketing personnel

J.L. Patten, pres.; John Riley, business dir.; E.A. Lynn, dir-mktg.; D.S. Mora, sr mktg. mgr.; M.P. Garrison, promo mgr.; T.L. Clemm, mktg. mgr.; W.J. Caskey, vp-sales; C.G. Gouett, vp-business devel.

■ Brands

Foodservice

Ad agency Rocket Burkhead & Lewis, Raleigh, N C Howard Rocket, pres, C Stephen Lewis, sr vp-dir, acct svcs

Division

Refrigerated Foods
Camden, N J

Corporate personnel

R A Earle, grp gm-Refrigerated Foods pres-Mrs Giles & Mrs Kinser's

Marketing personnel

R Hough, genl sales mgr-Refrigerated Foods, sales dir-Mrs Giles, R W Dow, mktg dir-Mrs Kinser's Home Style Foods

Brands

Mrs Giles deli-style salads, Win Schuler cheeses, Mrs Kinser's deli-style salads

Ad agency Britt Agency, Lynchburg, Va Frank Britt, acct exec

Division

Business Development Group
Camden, N J

Corporate personnel

P S Levy, gm

Marketing personnel

J A Blood, E A Senior, project dirs

Brands

Souper Combo

Ad agency FCB Leber Katz Partners, New York Bob Hirsh, sr exec vp-dir, acct mgmt

Division

Fresh Foods Group
Camden, N J

Corporate personnel

K W Leighton, grp gm

Marketing personnel

F A Dudowicz, dir-mktg, S J Stiles, mktg mgr, S M Regan, category gm-salad dressings

Brands

Campbell's Fresh vegetables

Ad agency CSC Advertising (in-house), Camden, N J P N Mulcahy, pres

Marie's Salad Dressing

Ad agency Margeotes Fertitta & Weiss, New York George Fertitta, pres, Melissa Norrgard, acct super

Division

Godiva Chocolatier
New York

Corporate personnel

T Fey, pres

Marketing personnel

J D Parks, vp-mktg, R Scheer, dir-mktg, G Seibel, dir-mktg

Brands

Godiva

Ad agency Margeotes Fertitta & Weiss, New York George Fertitta, pres, John Margeotes, chmn-ceo, John Weiss, exec vp-creative dir

Division

Vlasic Foods
Bloomfield, Mich

Corporate personnel

J R Scales, pres, T L Bitterman, exec vp

Marketing personnel

R W Shaw, vp-business planning & devel, D M Striegel, vp-foodservice, E C Tazzia, vp-mktg Vlasic brands, T F List, gm-gravies & sauces, D A DeWalt, dir-mktg, L T Uhl, dir-mktg research

Brands

Vlasic pickles, sauerkraut, olives

Ad agency W B Doner & Co, Springfield, Mich Richard J Friday, sr vp-grp mgmt super, Steve LaGattura, exec vp-intl business devel, Greg Gerfen, Darcy Ahl, acct supers, Chris Grindem, vp mgmt super

Division

Pepperidge Farm
Norwalk, Conn

Corporate personnel

R A Shea, pres

Marketing personnel

D L Albright, vp-mktg, gm-biscuit, C V McCarthy, vp-gm, bakery, P J Callaghan, mktg dir-bakery, C W Rydin, vp-gm, frozen, E A Anderson, mktg dir-frozen; B.L. Gustaitis, vp-gm, foodservice, C.E Woodward, mktg dir-foodservice; E Brothers, gm-mail order

Brands

Pepperidge Farm

Ad agency Ogilvy & Mather, New York M Lesser, pres; L Cornelius, sr vp-grp dir

Division

Domsea Farms
Pocatello, Idaho

Corporate personnel

C M Monaghan, gm; Edward Brauer, operations mgr

RANK: 39

Campeau Corp.

Toronto

Ad spending **$294.9** million

U.S. ad spending ($ in thousands)

By media	1989	1988	% chg
Magazine	2 208	2 119	4 2
Sunday magazine	1 508	1 913	(21 2)
Newspaper	144 003	122 772	17 3
Outdoor	0	20	NA
Spot TV	16 665	17 590	(5 3)
Spot radio	3 578	3 891	(8 0)
Measured media	167 962	148 306	13 3
Unmeasured	126 900	112 000	13 3
Total	294 862	260 306	13 3

By top brands	1989	1988	% chg
Bloomingdale's department stores	15 961	8 679	83 9
Abraham & Straus apparel	11 872	8 601	38 0
Bloomingdale's	11 094	10 228	8 5
Abraham & Straus misc	10 315	7 301	41 3
Rich's household	9 263	8 332	11 2
Bloomingdale's apparel	8 814	8 149	8 2
Abraham & Straus household	8 573	6 914	24 0
Rich's apparel	6,892	7,983	(13 7)
Rich's misc	6,519	4,989	30 7
Jordan Marsh stores	6,407	5,622	14 0

Sales & earnings ($ in millions)

Worldwide	1990	1989	% chg
Sales	10 439	8 668	20 4
Earnings	(1 740)	(34)	NA

U.S.	1990	1989	% chg
Sales	10,237	8 499	20 4
Operating profit	778	774	0 5

Division sales	1990	1989	% chg
Department stores	7 574	6 220	21 8
Specialty stores	0	326	NA
Supermarkets	2 556	1 842	38 8
Rental	213	214	(0 5)
Real estate sales	96	66	45 5

Notes: Fiscal year ended Jan 31 1990

Annual review

Slowly sinking under the weight of $7 5 billion in debt, Toronto-based Campeau Corp is in desperate need of a strong holiday selling season to prop up its financial house of cards As a result, advertising will play a vital role in pulling customers into department stores operated by its two U S retailing subsidiaries, Federated Department Stores and Allied Stores Corp

Although both subsidiaries filed in January 1990 for Chapter 11 bankruptcy, experts said Federated-Allied's retail units are likely to match 1989 ad spending, which was dominated by $144 million in newspaper ROP, accounting for 88% of measured expenditures Overall, 1989 measured ad spending increased 14% over 1988 on the strength of an additional $20 5 million in measured ROP spending

Campeau's Federated-Allied units operate some of the nation's premier department store retailers, each of which has its own in-house advertising department handling newspaper ROP, catalog and direct mail

Among the larger units, Bloomingdale's outpaced other stores in 1989 ad spending with $39 5 million in media, up 31 7%, Rich's hit $24 6 million, up 7 4%, Jordan Marsh, $17 million, up 10 4%, and Abraham & Straus, $20 million, down 20 3% Aside from heavy newspaper advertising, spot TV accounted for about 10% of media totals at Campeau stores

Even a strong fourth quarter would leave Campeau struggling with the options of swapping debt for equity or selling off units piecemeal to satisfy a horde of impatient creditors, said retail analyst Kurt Barnard of New York-based Barnard Retail Marketing Report

Before anything happens, Campeau must first establish its underlying value, which has been generally positive for the department store units, but disastrous for the corporation as a whole

"A company losing billions isn't worth very much, but a good fourth quarter would certainly improve their prospects," Mr Barnard said This is the reason U S bankruptcy court in Cincinnati in August gave Campeau until the end of its fiscal year in February 1991 to file a reorganization plan for its troubled retailing subsidiaries

The upcoming filing puts pressure on the individual operating units to perform well even in the face of draconian cost-cutting and an ailing U S economy That is why advertising is so essential

"While there clearly are attempts to economize, advertising is the life blood of a retailing operation I do not see Campeau's retailing units cutting back, because you've got to have advertising to bring customers into the stores," Mr Barnard said However, individual units might experiment with shifting some spending from newspaper ROP to newspaper inserts, or to targeted uses, such as direct mail and catalog, he added

"There is no question they'll maintain normal ad spending levels at least through December," said Carl Steidtmann, chief economist at Management Horizons, a Columbus, Ohio, retail consulting firm

However, Mr Steidtmann cautions that it is imperative to resolve Campeau's debt situation quickly, because a deteriorating capital base over the long term would spell disaster for Campeau's retailing units in terms of financing inventory, attracting and keeping quality personnel and continually upgrading stores

Despite measures to reduce costs by combining the corporate staffs of Federated and Allied, offers to sell Campeau's Canadian real estate and a failed effort early in 1989 to sell Bloomingdale's, Campeau has been unable to staunch a sea of red ink

"In a sense, the wealth has been destroyed and the markets are just beginning to realize the loss. But it doesn't make sense to liquidate these properties, because most have positive cash flow. The problem isn't in operations, it's on the balance sheet," said Mr. Steidtmann.

As for Robert Campeau, who orchestrated the two largest leveraged buyouts in retailing history, he was stripped of control over the retailing portion of his empire in January 1990 and was ousted in August as chairman-ceo of Campeau.

Headquarters

Campeau Corp
40 King St, West
Toronto, Ontario M5H3Y8
(416) 868-6460

Federated Department Stores
7 West Seventh St
Cincinnati, Ohio 45202
(513) 579-7000

Division

Abraham & Straus
Brooklyn, N Y

Marketing personnel

Joseph Yewdell, sr vp-mktg & sales promo, Joe Cantor, vp-admin, Nancy Slaven, operating vp-special events & sales promo, Robert Cole, vp-media

Brands

Abraham & Straus

Ad agency Martino & Co, New York Richard Martino, pres, Susan Gronich, vp-admin, Cathy Hart, Gary Wuertenberger, acct supers, Michele Bontempo-Saray, art dir, Donna Loscradato, prod mgr

Division

Bloomingdale's
New York

Marketing personnel

Gordon Cooke, exec vp-adv, Tim Oberg, vp-business mgmt & adv, John Jay, sr vp-creative dir

Brands

Bloomingdale's broadcast adv

Ad agency Grey Advertising, New York Herb Lieberman, exec vp, Susan Marber, vp-grp mgmt super, Nina Kessler, acct super, Kim Racz, asst acct exec

Division

Burdine's
Miami

Marketing & in-house adv personnel

Carey Watson, sr vp-mktg, Linda Frankel, vp-adv, Jorge Lopez, operating vp-adv admin & prodn, Jane Smiley, operating vp-special events & publicity

Division

Lazarus
Cincinnati

Marketing & in-house adv personnel

Timothy Worcester, sr vp-mktg & sales promo, Herbert Frager, div vp-graphics dir, Ralph Holt, div vp-dir, adv & analysis, Becky Case, div vp-adv & special events

Division

Rich's
Atlanta

Marketing & in-house adv personnel

Donald Van Suilichem, sr vp-mktg dir, Alma Freedman, div vp-adv dir, John Thomas, vp-creative dir

Brands

Rich's broadcast adv

Ad agency Babbit & Reiman, Atlanta Mark Goldman, exec vp, Elizabeth O'Dowd, sr art dir, Tina Traber, acct exec

Allied Stores Corp
7 West Seventh St
Cincinnati, Ohio 45202
(513) 579-7000

Division

The Bon Marche
Seattle

Marketing & in-house adv personnel

John Buller, sr vp-mktg & sales promo, Trisha Gregory, vp-adv, Mark Gordon, photo studio mgr, Bev Davies, bdcast-ROP dir, Sue Sleeth, direct mail dir, Val Walser, adv control dir

Division

Jordan Marsh-New England
Boston

Marketing & in-house adv personnel

Robert Gottlieb, sr vp-dir mktg, Mike Kelly, vp-planning & admin, Joel Benjamin, vp-creative dir

Brands

Jordan-Marsh broadcast adv

Ad agency Smith-Patterson (in-house), Boston Jean Publicover, media dir

Division

Maas, Inc
Tampa, Fla

Marketing & in-house adv personnel

Thomas Ford, sr vp-mktg, Rebecca Hollifield, creative dir

Division

Sterns
Paramus, N J

Marketing & in-house adv personnel

Howard Fraser, sr vp-mktg & adv, Ursula Drake, adv dir

Subsidiary

Ralph's Grocery Co
Compton, Calif

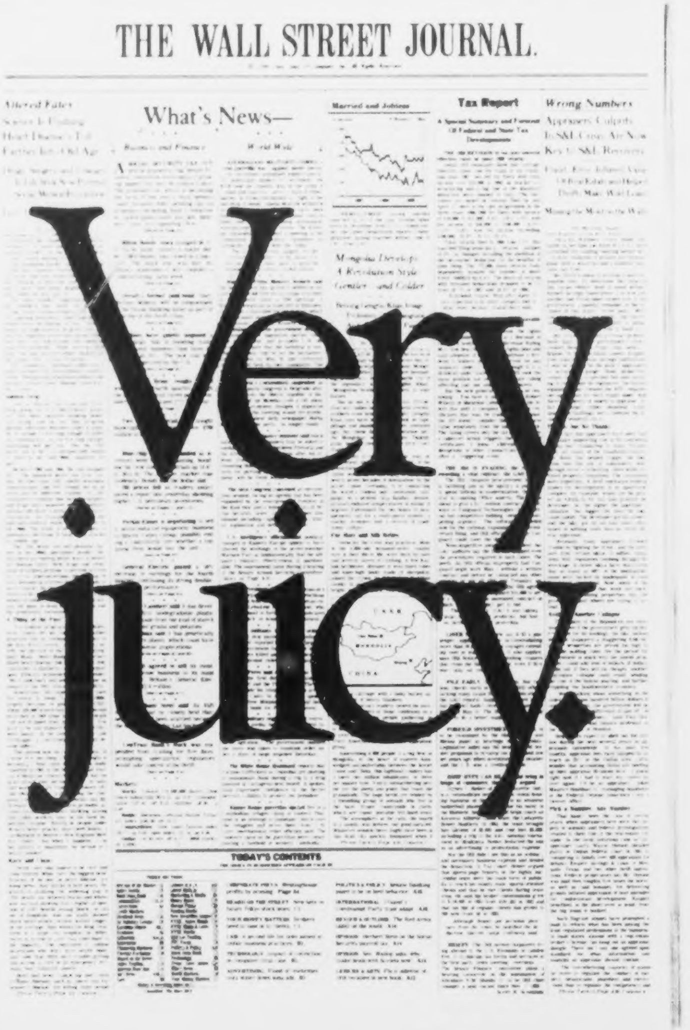
Marketing personnel

Al Marasca, exec vp-mktg, Kevin Davis, vp-sales & adv

Brands

Ralph's Grocery Co.

Ad agency: Davis, Ball & Colombatto Advertising, Los Angeles. Carol Begelman, vp-acct super; Rosa Cameron, acct exec.



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Source: WSJ 1988 Worldwide Subscriber Study
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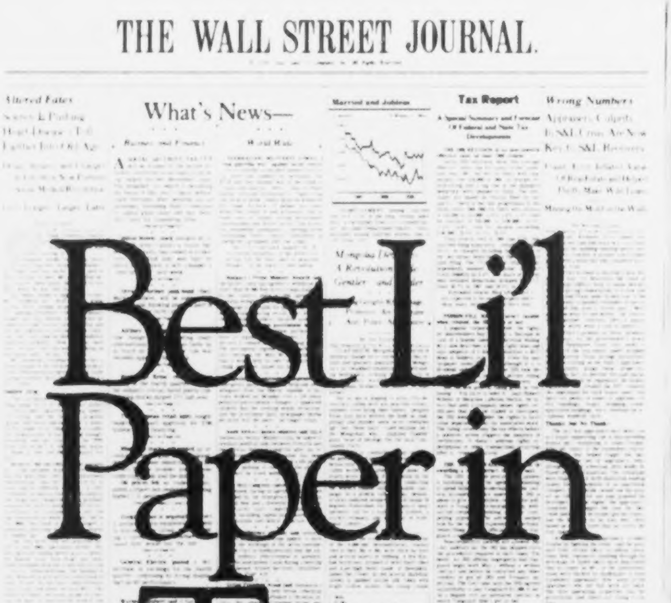
Top 25 network TV advertisers

Rank	Advertiser	Network TV spending 1989	Network TV spending 1988	% chg	Total U.S. ad spending 1989	Total U.S. ad spending 1988	Network TV as % of total 1989	Network TV as % of total 1988
1	**General Motors Corp.**	$506 5	$443 4	14 2	$1,363 8	$1,290 6	37 1	34 4
2	**Procter & Gamble Co**	449 1	421 7	6 5	1,779 3	1,655 8	25 2	25 5
3	**Philip Morris Cos.**	368 4	388 6	(5 2)	2,072 0	2,028 4	17 8	19.2
4	**Kellogg Co.**	324 8	297 7	9 1	611 6	550 1	53 1	54 1
5	**McDonald's Corp.**	252 1	245 4	2 7	774 4	728 1	32 6	33 7
6	**Ford Motor Co.**	201 4	175 7	14 6	602 1	565 2	33 4	31 1
7	**Unilever NV**	190 4	198 4	(4 0)	604 1	649 1	31 5	30 6
8	**Sears, Roebuck & Co.**	187 5	85 9	118 3	1,432 1	1,031 4	13 1	8 3
9	**Anheuser-Busch Cos.**	181 5	207 4	(12 5)	591 5	645 9	30 7	32 1
10	**American Home Products Corp.**	176 2	179 3	(1 8)	456 1	461 1	38 6	38 9
11	**Johnson & Johnson**	169 9	174 5	(2 6)	487 1	473 3	34 9	36 9
12	**PepsiCo Inc.**	168 8	145 0	16 4	786 1	710 9	21 5	20 4
13	**AT&T Co.**	162 7	173 9	(6 4)	567 7	547 1	28 7	31 8
14	**Grand Metropolitan PLC**	148 2	95 8	54 7	823 3	754 6	18 0	12 7
15	**General Mills**	145 0	137 5	5 5	471 0	447 8	30 8	30 7
16	**RJR Nabisco**	143 5	168 1	(14 7)	703 5	740 9	20 4	22 7
17	**Chrysler Corp.**	140 6	163 2	(13 9)	532 5	476 4	26 4	34 3
18	**Eastman Kodak Co.**	137 5	144 8	(5 0)	718 8	732 2	19 1	19 8
19	**Bristol-Myers Squibb Co.**	131 7	121 3	8 6	451 6	424 2	29 2	28 6
20	**Nestle SA**	125 6	105 9	18 7	608 4	552 8	20 7	19 2
21	**Toyota Motor Corp.**	110 8	64 2	72 7	417 6	273 0	26 5	23 5
22	**Quaker Oats Co.**	104 4	123 3	(15 3)	357 8	409 5	29 2	30 1
23	**Honda Motor Co.**	101 0	91 9	9 9	298 8	243 3	33 8	37 8
24	**Warner-Lambert Co.**	100 8	111 1	(9 2)	585 9	605 6	17 2	18 3
25	**Coca-Cola Co.**	98 8	119 1	(17 0)	385 3	376 7	25 6	31 6

Note: Dollars are in millions. **Source**: LNA Arbitron. See Page 2 for methodology and other source information.

AA chart: Kevin Brown

THE WALL STREET JOURNAL.



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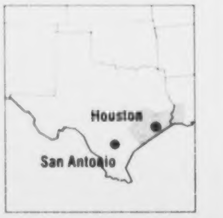

Source: WSJ 1988 Worldwide Subscriber Study
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RANK: 87

Carter Hawley Hale Stores

Los Angeles
Ad spending **$126.6** million

U.S. ad spending ($ in thousands)

By media	1989	1988	% chg
Magazine	243	253	(4 0)
Sunday magazine	391	511	(23 5)
Newspaper	55 334	73 782	(25 0)
Outdoor	6	1	612 5
Spot TV	11 779	10 513	12 0
Spot radio	1 341	1 298	3 4
Measured media	69 093	86 356	(20 0)
Unmeasured	57 500	71 900	(20 0)
Total	126 593	158 256	(20 0)

By top brands	1989	1988	% chg
Broadway department store apparel	16 730	17 575	(4 8)
Broadway department store misc	16 108	16 542	(2 6)
Broadway department stores	13 623	16 782	(18 8)
Emporium Capwell misc	5 934	12 568	(52 8)
Emporium household	5 673	0	NA
Broadway department store drugs	3 089	2 688	14 9
Broadway department store jewelry	1 978	2 026	(2 4)
Emporium Capwell	1 150	7 127	(83 9)
Weinstock's misc	1 020	941	8 4

Sales & earnings ($ in millions)

Worldwide	1990	1989	% chg
Sales	2 787	2 617	6 5
Earnings	13	18	(23 7)

Notes: Fiscal year ended July 29, 1990

Annual review

Carter Hawley Hale Stores, which draws about three-fourths of its sales in California, learned the downside of operating in the fault-lined state when the October 1989 Bay area earthquake forced it to close 12 Emporium stores—a tenth of its outlets—in the beginning of the all-important fourth quarter

While 11 stores reopened within days, the company didn't repair and reopen its downtown Oakland, Calif., store till August 1990. When the earth moved, so did Carter Hawley's sales and profits. Earthquake expenses, coupled with aggressive discounting against a sluggish economy, resulted in a net loss and minimal sales gains for the first nine months of fiscal 1990

Against that backdrop, Carter Hawley's measured ad spending dropped in calendar 1989 by 22%, with spending at the 22-store northern California Emporium chain cut in half to $13.6 million, LNA/Arbitron estimates

Estimated spending at Carter Hawley's 44-unit Broadway-Southern California, that region's largest department store chain, and 11-unit Broadway-Southwest chain elsewhere in the West fell 8.2% to $51.8 million

Last year, 82% of Carter Hawley's measured spending went into newspapers, with spot TV capturing virtually the rest. In 1988, newspapers received 87% and spot TV, 12%

In financial statements, Carter Hawley reported fiscal 1989 advertising media costs of $76.6 million, up 7% from $71.8 million in 1988. The fiscal year ended July 29, 1989, about three months before the earthquake disrupted Bay area business

Carter Hawley runs 115 full-line department stores, all catering to middle- to upper-middle-income customers. Its four West Coast chains operate 89 stores, the fifth division, Thalhimers, maintains 26 stores in Virginia, the Carolinas and Tennessee

All of the chains rank first or second in sales in their primary markets. Competitors include May Department Store Co.'s May Co. in southern California and Hecht's in Virginia, R.H. Macy & Co.'s Macy's in northern California and Dillard Department Stores' Dillard's elsewhere in the West

While the stores carry similar merchandise and many of the same private label lines, each chain oversees its own advertising creative, media and production. Carter Hawley headquarters approves ad budgets

Burdened by heavy debt, Carter Hawley has focused more on improving existing stores than adding new ones since undertaking a restructuring in 1987. From calendar 1988 to 1990, it has opened one store a year; next year, it plans four openings

For the first nine months of fiscal 1990, Carter Hawley's sales increased 3% to $2.2 billion. Sales for stores open in both periods rose 2%

Headquarters

Carter Hawley Hale Stores
444 S. Flower St.
Los Angeles, Calif. 90071
(213) 620-0150

Corporate personnel

Philip M. Hawley, chmn-ceo, Arthur G. Coons Jr., vp-mktg

Division

The Broadway-Southern Calif.
Los Angeles

Marketing & in-house adv personnel

Josephine Lawley, sr vp-mktg & promo

Division

The Broadway-Southwest
Phoenix, Ariz.

Marketing personnel

Barbara Bailey, sr vp-mktg & sales promo; Walter Knowles, div vp-adv dir

Brands

The Broadway-Southwest

Ad agency: (In-house) Walter Knowles, div vp-adv dir

Broadcast media placement

Ad agency: Sachs, Finley & Co., Los Angeles. Barbara Schwecke, acct super

Division

Emporium
San Francisco

Marketing & in-house adv personnel

Marsha McLain, div vp-adv; Alice McNaughton, vp-sales promo; Maryanita Howard, div vp-creative dir; Kim Hughes, mktg mgr

Division

Thalhimers
Richmond, Va.

Marketing personnel

Betty Bauder, sr vp-sales promo; Charlotte Ford, div vp-adv dir

Brands

Thalhimers

Ad agency: (In-house) Charlotte Ford, div vp-adv dir

Broadcast adv

Ad agency: Finnegan & Agee, Richmond, Va. Tim Finnegan, chmn-mgmt super

Division

Weinstocks
Sacramento, Calif.

Marketing & in-house adv personnel

Lisa Stanley, sr vp-sales promo; Monica Lang, div vp-adv dir

RANK: 19

Chrysler Corp.

Highland Park, Mich
Ad spending **$532.5** million

U.S. ad spending ($ in thousands)

By media	1989	1988	% chg
Magazine	131 325	104 923	25 2
Sunday magazine	8 475	2 461	244 4
Newspaper	12 550	12 080	3 9
Outdoor	1 192	971	22 7
Network TV	140 581	163 230	(13 9)
Spot TV	51 476	46 216	11 4
Syndicated TV	4 949	891	455 5
Cable TV networks	11 765	10 725	9 7
Network radio	13 326	11 213	18 8
Spot radio	40 254	19 412	107 4
Measured media	415 893	372 121	11 8
Unmeasured	116 600	104 300	11 8
Total	532 493	476 421	11 8

By top brands	1989	1988	% chg
Chrysler passenger cars	101 378	106 623	(4 9)
Dodge passenger cars	80 591	87 983	(8 4)
Dodge trucks & vans	59 514	55 321	7 6
Jeep trucks & vans	43 219	37 344	15 7
Plymouth passenger cars	40 074	19 728	103 1
Eagle passenger cars	30 917	22 262	38 9
Plymouth trucks & vans	8 683	11 527	(24 7)
Thrifty Rent A Car	3 882	3 048	27 4
Mopar parts & service	3 033	1 370	121 4

Sales & earnings ($ in millions)

Worldwide	1989	1988	% chg
Sales	34 922	34 148	2 3
Earnings	359	1 050	(65 8)

U.S.	1989	1988	% chg
Sales	30 750	30 038	2 4
Earnings	279	1 249	(77 7)

Division sales	1989	1988	% chg
Car & truck	30 987	30 804	0 6
Financial svcs	4 079	3 485	17 0

Annual review

Chrysler Corp. restructured, sold Gulfstream Aerospace and set its sights on worldwide markets as it moved into 1990

The company is seeking a venture with Fiat either to distribute its products or jointly develop and produce a sport utility vehicle or van for overseas markets after terminating a joint-production venture with Renault in Europe

A minivan jointly produced by Chrysler with Steyr-Daimler-Puch in Graz, Austria, will hit European markets in 1991

Marketing costs continue to escalate, driven by sales incentives that climbed to $1,200 per vehicle. Chrysler poured $2.1 billion into incentives last year and another $680 million into national and dealer advertising, according to Chairman Lee Iacocca

Chrysler is shaving its overhead by $1.5 billion this year by closing two assembly plants and trimming 10%-15% of its salaried employees among widespread cutbacks

Chrysler Corp. restructured Chrysler Motors Corp. from a holding into an

Top 25 spot TV advertisers

Rank	Advertiser	Spot TV spending 1989	Spot TV spending 1988	% chg	Total U.S. ad spending 1989	Total U.S. ad spending 1988	Spot TV as % of total 1989	Spot TV as % of total 1988
1	**PepsiCo Inc.**	$264 6	$258 0	2.6	$786.1	$710.9	33.7	36.3
2	**Procter & Gamble Co.**	222 0	222 3	(0 1)	1,779 3	1,655 8	12.5	13 4
3	**Philip Morris Cos.**	180 5	158.4	14 0	2,072.0	2,028.4	8.7	7.8
4	**General Mills**	150 3	145 9	3 0	471 0	447 8	31 9	32 6
5	**McDonald's Corp.**	141 3	128.1	10 3	774.4	728.1	18.2	17.6
6	**Nissan Motor Co.**	113 5	64 1	76 9	300 6	224 9	37 8	28.5
7	**Anheuser-Busch Cos.**	94 8	97 6	(2.9)	591.5	645 9	16 0	15.1
8	**Toyota Motor Corp.**	91 0	68 6	32 7	417 6	273 0	21 8	25 1
9	**General Motors Corp.**	90 9	115 3	(21.1)	1,363 8	1,290 6	6 7	8.9
10	**Time Warner**	86 7	80 3	7 9	567 5	505 6	15 3	15 9
11	**Grand Metropolitan PLC**	75 7	127 0	(40 4)	823 3	754 6	9 2	16 8
12	**Hasbro Inc.**	71 9	90 6	(20 7)	151 9	176 7	47 3	51 3
13	**Coca-Cola Co.**	68 1	56 1	21 3	385 3	376 7	17 7	14 9
14	**Hyundai Group**	67 6	73 3	(7 7)	212 8	204 8	31 8	35 8
15	**Walt Disney Co.**	66 8	63 0	6 2	338 7	304 5	19 7	20.7
16	**Unilever NV**	60 0	70 3	(14 6)	604 1	649 1	9 9	10 8
17	**Sears, Roebuck & Co.**	58 4	24 4	139 2	1,432 1	1,031 4	4 1	2 4
18	**Ford Motor Co.**	54 9	68 9	(20 3)	602 1	565 2	9 1	12 2
19	**Nestle SA**	53 4	68 1	(21 6)	608 4	552 8	8 8	12.3
20	**Chrysler Corp.**	51 5	46 2	11 4	532 5	476 4	9 7	9 7
21	**Adolph Coors Co.**	48 6	50 5	(3 8)	201 0	200 8	24 2	25.2
22	**American Stores Co.**	48 4	51 4	(5 8)	220 0	193 3	22 0	26 6
23	**Dayton Hudson Corp.**	44 20	27 2	62 5	314.2	240 6	14 1	11.3
24	**Mazda Motor Corp.**	44 17	21 1	109 7	196 3	146 9	22 5	14 3
25	**American Express Co.**	44 0	24 2	81 8	267.9	247 1	16.4	9 8

Note Dollars are in millions **Source** LNA Arbitron See Page 2 for methodology and other source information

AA chart Kevin Brown

operating company and reorganized marketing operations by consolidating all marketing under John Damoose VP-marketing General managers of Dodge Car & Truck Chrysler-Plymouth and Jeep-Eagle report to him as do corporate dealer and multi-brand ad managers In early September James P Holden former sales operations planning director became the new Chrysler-Plymouth general manager succeeding Michael V Howe who resigned to head Young & Rubicam Detroit which handles Ford's Lincoln-Mercury account

"Advantage Chrysler" became the umbrella marketing theme tag for its brands Corporate boardroom-themed ads kicked off advertising which shifted to product comparisons with Honda and a campaign on air bags Future forays will include more product comparisons Divisions also place the tag on their specific brand campaigns

Chrysler's biggest marketing push in 1991 will back its restyled bread-and-butter minivans now facing increased competition from General Motors and imports

It will place emphasis on the high-volume low-priced segment of the market in 1991 with a pair of under-$8,000 Dodge Shadow/Plymouth Sundance America models They're billed as the lowest-priced air bag-equipped sedans in the U S

Chrysler spent $68 8 million to push its Chrysler-named cars in 1989 the biggest single expenditure of $11 1 million backing Chrysler LeBaron down 28 8% from 1988 The company spent $90 million on the Chrysler line in 1988 some $31 million of that going to the New Yorker a brand that pulled only $7 9 million in 1989 New Yorker Fifth Avenue was added to the line in 1989 attracting $7 1 million in new advertising

The Dodge division spent $140 million on cars and trucks in 1989 down 3%, with the largest expenditure of $24 6 million backing the new K-car replacement Dodge Spirit

The Eagle line grew 15 7% in media to $30 9 million as the Eagle Premier pulled $14 3 million down 20% Jeep Cherokee drew $22 3 million in media up 24 6%, to pace total Jeep spending of $43 5 million, up 16 3%

The new Plymouth Acclaim attracted $19 5 million in media to pace Plymouth line spending that measured $48 8 million, up 56 4%

Incentive advertising encouraged a shift in spending by all company brands away from network TV, still its biggest media segment, to the more immediate spot radio Magazine advertising grew by $26 million, a function of new car intros—the Plymouth Acclaim ($6 million in magazines), Plymouth Laser ($5 million), Dodge Spirit ($9 million) and New Yorker Fifth Avenue ($7 million)

New entries on the high end, Chrysler Fifth Avenue and Chrysler Imperial, accounted for 32,623 car sales

Chrysler's sales and market share dropped steadily during 1989 and 1990 Its U S retail car sales of 1,019,693, down 14 4%, accounted for 10 4% of the market compared to 11 3% in 1988 Its U S truck sales of 984,354, while down 3 2%, retained a 19 4% share

Its car sales in 1990 have fallen 17% to 403,078 in the first six months and truck sales have slipped 7 3% to 363,226 Declines are uniform across the board

Chrysler-brand cars had a 2 07% market share the first half, down from 2 24% for the prior-year period Dodge held a 3 6% share off from 4 77% Eagle an 0 62% share compared to 0 74% and Plymouth a 2 71% share down from 2 91%

Chrysler's market share erosion has been broad-based In segments where it had exclusivity such as minivans it is now challenged by domestic and import manufacturers

Headquarters

Chrysler Corp
P O Box 1919
Detroit Mich 48288-1919
(313) 956-5741

Marketing personnel

Bennett E Bidwell chmn Laurel Cutler vp-consumer affairs Joseph E Cappy, vp-intl operations John B Damoose vp-mktg Arthur C Liebler vp-comms, Martin L Levine gm-Dodge Car & Truck James P Holden gm Chrysler-Plymouth Larry W Baker gm Jeep-Eagle Joseph Hickey mgr-adv Thomas McAlear mgr-dealer mktg Ralph Sarotte dir multi-brand mktg

Brands

Dodge car & truck

Ad agency BBDO Southfield Mich William Kelly pres-ceo Michael Graham sr vp-dir, strategic planning John Hammond sr vp-acct mgmt super car & truck Gene McCarthy sr vp-exec media dir Tom Neman sr vp-dir, rsch William Oswald exec vp-sr mgmt rep, car & truck A David Jones exec vp-sr mgmt rep Dodge Dealer Assn Dave Harrelson, vp-operations mgr Doug Rick vp-prod info mgr Raymond Schneider vp-dir finance & admin Stanislaus Shibinsky, sr vp-exec creative dir Gerald Hunnicutt, David Carnegie, vps-assoc creative dirs, Theodore Zahrfeld vp-media dir Dodge car Joseph Caponigro vp-media dir, Dodge truck, Patricia Pearson vp-media dir, bdcst, Charles Seelhoff vp-radio & TV prodn Denise Robinson vp-acct mgmt super, dealer assocs, Thomas Townsend, vp-assoc dir rsch Peter Swiecicki vp-finance, Richard Williams, Gordon Berg, Brian Juergens, vps-assoc dirs, strategic planning, Dennis Goschka, vp-legal counsel, Marc Caroselli, vp-acct super Dodge car, Tim Miller vp-acct super, Dodge truck, Mike McClure, creative dir-dealer adv assn Mike Suchara, acct exec-Dodge car, Lorrie Mikle, acct exec-Dodge truck William Freed, Michelle White, acct supers-Dodge car

Corp adv, Chrysler-Plymouth

Ad agency Bozell, Birmingham, Mich Leo Arthur Kelmenson, chmn-exec committee, Charles D Peebler Jr, ceo, N Y, David Bell, pres, Ron DeLuca, vice chmn, Calvin Mew, vp-dir, strategy & forward planning, Kim Gaynor, exec vp-gm, Bruce Andrews, sr vp-assoc gm Alan Levenstein, exec vp-mktg, Merton Simons, legal counsel Kathleen Corrigan, dir-adv clearance, coordinator-legal adv clearance, N Y, Elton Kruger, sr vp-dir, planning, Phil Floyd, assoc media dir, Dave Bean, media super, Martin Jeakle, Steve Larson, media planners, Ken Duskin, exec vp-creative dir; Phil Reuschle, sr vp-dir, forward planning, Detroit, Brian Palmer, sr vp-mgmt super, Plymouth Bob Lytle, vp-acct super, corp Chuck Russo, vp-acct super, Chrysler Bill Shea, sr vp-mgmt super, Chrysler Ted Stacy, vp-acct super, Plymouth Jim Fisher acct exec-corp John Gianakis sr acct exec-Plymouth Lynn Vernon, sr vp-mgmt super, Chrysler, Nancy Sparrer, sr acct exec-Chrysler, Jerry Stabbing, acct exec-dealer assistance Rita Terterian, assoc acct exec-Chrysler

Jeep-Eagle

Ad agency Campbell-Mithun-Esty, Southfield Mich David C Welch, ceo-Detroit, chmn-CME Corp, Mike Vogel, pres-coo Mike Belitsos, chmn-chief creative officer, Tom Bernardin, exec vp-mgmt dir, Jeep & Eagle, David Eick, exec vp-mgmt dir, multi prods/new business, David Van Peursem, exec vp-strategic planning, Randall Schroeder, exec vp-mgmt dir, media, Warren Kruger, exec vp-internal svcs, Brian Rivers, exec vp-Canada Tom Deska, sr vp-mgmt super, Jeep & Eagle, Mark Liska, sr vp-mgmt super, Jeep Intl, Hap Smith, sr vp-mgmt super, dealer operations, Tom Luke, sr vp-dir, consumer perspectives, Gary Topolewski, Steve Goldsworthy, sr vps-assoc creative dirs, John Keenan, sr vp-creative dir, collateral, Frank Blaney, sr vp-prodn & traffic, Kevin Brown, sr vp-assoc media dir, Marianne Coleman, sr vp-finance dir, Walter Dunne, vp-mgmt super, Frank Brugos, Colette Bukowicz, vps, co-creative dirs-dealer, Teri Brown, vp-dir, bdcst business affairs, Linda Lukens, vp-business mgr & traffic super, Charles Glass, Mike Monley, Kent Woodman, vps-creative supers, Craig Mungons, vp-sr producer, Mike Wang, Michelle Robisch, vps-assoc media dirs, Eileen Wunderlich, vp-dir, pr, Jeff Clear, vp-dir, human resources, Tom Finch, vp-dir, field operations

Minority adv

Ad agency Lockhart & Petus, New York Keith Lockhart, pres

Corp merch, sales promo & training, Chrysler Credit Corp., Chrysler Fleet Operations, Chrysler Service & Parts Operation

Ad agency Ross Roy, Bloomfield Hills, Mich Glen W Fortinberry, pres-chmn-ceo, Richard C Ward, exec vp-gm, Joseph M McNeil, exec vp-exec creative dir, James V Vehko, sr vp-mgmt super, Alfa Romeo, Judith Toundas, sr vp-mgr, mktg support grp, Michael P Webster, sr vp-mgmt super, Dodge, Chrysler-Plymouth, Jeep-Eagle & dealer mktg, Donald C Scheich, sr vp-mgmt super, Chrysler Credit, Service & Parts, Fleet & Lease, Rex B Smith, sr vp-mgmt super, Chrysler Intl, training & corp progs, William Winn, gm-RR Productions, Michael L Labiak, sr vp-dir, creative scvs, Richard Yocum, vp-grp creative dir, Albert H Acker, sr vp-creative dir, David G Garfield, sr vp-dir, rsch, Rick G Betker, William S Rowe, John L Sych, Abby Blay, vps-grp acct supers, Donald F Baldwin, Arnold D Burke, Julia Francke, Thomas W Kemper, Michael A Pinckes, Bob Pniewski, vps-acct supers; Albert J Hanna, Larry E McMurtry, vps-grp creative dirs, Roberta Beaudet, vp-exec producer, Charles F Gegenheimer, vp-dir, consumer promos; George Abdullah, William J Abele, Rollin E Gish, Clark L Reid, vps-RR Productions

RANK: 81

Circuit City Stores

Richmond, Va
Ad spending: **$131.2** million

U.S. ad spending ($ in thousands)

By media	1989	1988	% chg
Sunday magazine	9	20	(54 1)
Newspaper	37 599	29 632	26 9
Spot TV	41 072	30 942	32 7
Cable TV networks	0	7	NA
Spot radio	50	3	NA
Measured media	78 730	60 603	29 9
Unmeasured	52 500	40 400	30 0
Total	131,230	101 003	29 9

By top brands	1989	1988	% chg
Circuit City stereo stores	78 635	60 600	29 8

Sales & earnings ($ in millions)

Worldwide	1990	1989	% chg
Sales	2 097	1 721	21 8
Earnings	78	69	12 4

Notes: Fiscal year ended Feb 28 1990

Annual review

Circuit City electronics chain, which took to the airwaves with its first major TV campaign last year, outperformed the industry in sales growth in 1989, although that isn't saying much Its sales were up only 2% for comparable stores

The past three years the once high-flying consumer electronics retail industry has trudged along at an average growth rate of 1% Growth is now tied to replacement sales, multiple home installations and products with low household penetration The industry is suffering from a dearth of "hot" new products

Growth at Circuit City has been tied to store expansion as new stores in fiscal year 1990 gave the chain its overall sales growth of 22%

Competition has become more intense not only from such consumer electronics outlets as Highland Superstores, Fretters, Silo, Best Buys and The Good Guys, but from department store offshoots, Sears, Roebuck & Co's Brand Central and Montgomery Ward's Electric Avenue Most concentrate on price/item promos

In a move to differentiate itself from its competitors, Circuit City in 1989 appointed its first outside agency, J Walter Thompson USA, New York, to handle broadcast advertising A JWT campaign bearing the theme, "Welcome to Circuit City where service is state of the art," was introduced last year in 40 spot markets during the holiday season—a period that accounts for 33% of annual sales and more than 40% of operating income The account is valued at $25 million

Circuit City's print advertising remains in-house ROP advertising accounts for about 40% of Circuit City's media expenditures, and spot TV most of the rest, according to LNA/Arbitron A popular ad vehicle is the 8-to-10-page circular, largely vendor paid

Advertising during the year, which may include spot TV and radio, stresses low pricing Prices are set by local store operators Circuit City is militant about pricing On items purchased at Circuit City, the company guarantees to pay customers 110% of the difference between the price paid at Circuit City and a competitor's price if lower

The only store concepts under expansion are Circuit City Superstores, units 25,000 sq ft or larger that carry household appliances in addition to the standard fare of TVs, VCRs and audio equipment Appliances account for 19% of company sales Construction on 25 new superstores is in various stages of completion There currently are 125

Expansion is only in the Southeast, mid-Atlantic and California/Nevada/Arizona regions—the current coverage limitation of Circuit City warehouses

Four Impulse stores are in test in shopping malls They carry small consumer products

Headquarters

Circuit City Stores
9950 Mayland Dr
Richmond, Va 23233-1464
(804) 527-4000

Corporate personnel

Greg Jones, asst-vp, dir-corp adv

Brands

Circuit City Stores

Ad agency J Walter Thompson USA, New York Mitchell Brooks, acct dir, Laura Cheshire, acct super

RANK: 73

Citicorp

New York
Ad spending: **$146.3** million

U.S. ad spending ($ in thousands)

By media	1989	1988	% chg
Magazine	19 143	13 371	43 2
Sunday magazine	0	158	NA
Newspaper	18 559	10 144	83 0
Outdoor	81	65	23 7
Network TV	20 427	26 459	(22 8)
Spot TV	30 303	29 861	1 5
Syndicated TV	100	137	(27 2)
Cable TV networks	2 156	1 780	21 1
Spot radio	13 129	2 590	406 8
Measured media	103 897	84 565	22 9
Unmeasured	42 400	34 500	22 9
Total	146 297	119 065	22 9

By top brands	1989	1988	% chg
Citicorp	33 894	35 041	(3 3)
Citibank credit card svcs	33 103	29 072	13 9
Citibank	14 542	13 146	10 6
Citicorp savings	5 021	2 948	70 3
Diners Club credit card	1 772	408	263 3
Ambac insurance	1 481	872	69 7

Sales & earnings ($ in millions)

Worldwide	1989	1988	% chg
Sales	13 752	13 018	5 6
Earnings	498	1 858	(73 2)

U S	1989	1988	% chg
Sales	8 747	7 946	10 1
Income before taxes	1 531	1 471	4 1

Division sales	1989	1988	% chg
Interest revenue	31 576	26 939	17 2
Fees, commissions	6 394	5 413	18 1

Annual review

Citibank, the emerging corporate title replacing Citicorp, is flying high as the nation's top credit card issuer, but watch out

Aggressive nonbank companies with strong marketing skills and customer bases are jumping in, just at the time the market is becoming saturated The result is a free-for-all which will make consumers happy, but will weaken profits for issuers

In March, AT&T launched its Universal Card with no annual fee and a long-distance discount offer Within six months, AT&T racked up 2 7 million cards outstanding That's just a drop in the bucket compared with Citibank which leads the pack in the number of accounts with 22 million, followed by Chase Manhattan Bank with 8 million, First Chicago with 6 5 million and Bank of America with 6 million

In terms of outstanding debt, Citibank is first with $28 8 billion, up 25% or $7 billion from the previous year Far behind in second and third place are Chase Manhattan with $9 3 billion and Bank of America with $6 5 billion

"For an operation the size of Citibank, it's remarkable it doesn't appear to be slowing down in growth," said Kurt Peters, editor of "Credit Card News," adding with a note of caution "AT&T is not affecting the biggest issuers—yet"

Other new competitors include Prudential Insurance Co, a flurry of nonbanking companies and even the Japanese

The credit card business is one bright spot in Citibank's portfolio Citibank has been struggling with bad real estate and Third World loans, posting earnings of $498 million, down 73% from the previous year Experts estimate Citibank's credit card business, meanwhile, was up to about $600 million in aftertax profits last year

Citibank is attempting to firm up its image by presenting a consistent message to those whom Mary Ann Eger, VP-director, corporate advertising, calls "stakeholders"—customers, prospective customers, shareholders, government, media, suppliers and employers "Image in the global marketplace drops down to the bottom line very quickly," said Ms Eger "Corporate advertising is increasingly becoming a more critical element in the effective delivery of a variety of messages to our many constituencies And it is often doing a more efficient job than any of the other corporate communications alternatives," she said

Part of that image is the name Citibank since May has been switching from Citicorp to Citibank "because a bank is a more tangible entity," noted Ms Eger Previously, only the New York retail bank used the Citibank name

Its marketing campaign, themed "Not just Visa, Citibank Visa," is centered on service, particularly in quick response to telephone bill inquiries The company shifted its media for its image campaign in 1989, which drew $31 million, down 6% Network TV got $20 million, down 23 1%, as magazine spending rose 60% to $8 million

Headquarters

Citicorp
399 Park Ave
New York, N Y 10043
(212) 559-1000

Marketing personnel

Robert Previdi, vp-dir, corp comms, Mary Ann Eger, vp-dir, corp adv, Steve Galasso, vp-dir, bank card comms, Jean Fitzgerald, vp-dir, adv-Citibank natl mktg

Brands

Diners Club Card U.S., Citibank Natl Mktg Div, Carte Blanche Card, Citicorp traveler's checks

Ad agency Foote, Cone & Belding Commu-cations, Chicago Joan Black, sr vp-grp ct dir, Liz Slattery, vp-mgmt dir, Citi-nk natl mktg div, James Cerasani, sr -grp acct dir, Diners Club, Diane Pe-rson, mg dir-Diners Club

ers Club, Citibank Personal Banking, North al Exchange, Bankcard cross-sell

agency FCB/LKP Integrated Commu-cations Group, New York Jon Adams, es-intl acct dir, Michael Hoynes, exec -grp mgmt dir Tom Carroll, Roberta einstein, vps-mgmt dirs, Mary Conway, l Rundle, Marlene Asher, acct dirs

ibank Better Bank Card, Citicorp POS

agency Lowe & Partners, New York an O'Donnell, Tim Little, mgmt supers, ark Payne, acct super, Fernando puelas, Mary Harris, acct execs

icorp Corp Campaign, Citibank NY, Citibank tter Bank Card direct mail

agency N W Ayer, New York David antman, exec vp-mg dir, corp & Citi-nk acct svcs, Peter Hochman, sr vp-ec acct dir, Stephanie Patrucco, Geof-y Sands, acct supers, Linda Benfield, ct coord-corp Citibank, Alan Reisberg, gmt super Rich Donohoe, vp acct

bank Foreign Exchange adv

agency Siegel & Gale, New York orge Clark, sr vp-mgmt super

corp 2-elect Investments

agency Masterson Rothberg Advertis-, New York Joan Rothberg, chmn-ceo, ggy Masterson, pres Christopher Bar-n, Richard Marvin, acct dirs

RANK: 63

lorox Co.

Oakland, Calif

Ad spending **$179.9 million**

U.S. ad spending ($ in thousands)

edia	1989	1988	% chg
azine	19 120	11 280	69 5
day magazine	2 008	1 297	54 8
spaper	343	1 196	(71 3)
door	379	23	NA
ork TV	55 731	58 537	(4 8)
TV	31 799	26 630	19 4
icated TV	11 447	9 638	18 8
e TV networks	10 619	10 979	(3 3)
ork radio	0	3 195	NA
radio	2 495	968	157 8
easured media	133 939	123 141	8 8
nmeasured	46 000	42 300	8 7
tal	179 939	165 441	8 8
p brands	**1989**	**1988**	**% chg**
ox laundry products	38 364	39 354	(2 5)
den Valley Ranch essings	21 458	14 648	46 5
Scrub cleanser	10 578	11 083	(4 6)
sford charcoal	9 548	7 649	24 8
id Plumr drain opener	5 584	4 897	14 0
ral cat litter	5 544	197	NA
ox cleaner	5 542	5 206	6 5
mula 409 cleaner	4 714	4 672	0 9
a Water filtration ystem	4 305	164	NA
Masterpiece arbecue sauce	3 991	6 579	(38 9)

Sales & earnings ($ in millions)

rldwide	1990	1989	% chg
es	1 484	1 356	9 4
nings	154	124	23 7

Notes: Fiscal year ended June 1990

Annual review

Clorox Co is getting more aggressive in king on acquisitions, new line exten-ons and new categories, but one key oduct Clorox laundry detergent still ast prove whether it ranks among suds duds

Even before it completed the whopping 65 million purchase in August 1990 of ne-Sol and Combat from American anamid Co, Clorox put its stamp on e brands by assigning them to agencies eady on its roster

Young & Rubicam, San Francisco, ked up the $6 million Pine-Sol media count and DDB Needham Worldwide, icago, the $5 million Combat media count, both from Carrafiello, Diehl & sociates, Irvington, N Y

Pine-Sol, the dominant pine cleaner th a leading 10% share of the $1 1 llion household-cleaning products cat-ory, is a powerful complement to orox's cleaning products line

Combat represents a new product area r Clorox With an 11% share of the $450 llion household insecticide market, mbat is a distant second to S C John-n & Son's Raid (45%)

In new products, Clorox introduced non-scented liquid bleach in early 89, boosting its healthy mainstay busi-ss Media spending for Clorox liquid each grew 18% to $15 1 million, spend-g on Clorox II all-fabric bleach opped 32 5% to $15 6 million

In March 1990, Clorox went national th Take Heart, a cholesterol-free, low-t extension of its Hidden Valley Ranch lad dressings By skipping the test arket stage, Clorox, the No 2 dressing marketer at a 20% share, got a jump on the national rollout of Kraft Free, a fat-free line from Kraft USA, the dressing leader with about a 41% share

Clorox supported its dressings with measured spending of $21 6 million in 1989, up 33 3%, and double the 1987 level

Clorox leveraged its top-selling charcoal name in 1989 by entering Kingsford Pro barbecue grill into test market At $199, the grill's price is out of the norm for a marketer of small package goods

Clorox hasn't extended distribution since expanding the detergent to 45% of the nation in May 1989 Amidst stepped-up spending from leaders Procter & Gamble Co and Lever Bros, Clorox has invested heavily in promotions and advertising to achieve an estimated average 4% share in test markets

Measured spending on the detergent in 1989 totaled $7 6 million, nearly double the 1988 level when fewer markets were in test The company has given little indication on its long-term commitment to the category, although it seems to be pulling out all the stops, including reassigning the detergent to lead agency Foote, Cone & Belding, San Francisco, from DDB Needham, Chicago, in January 1990

Clorox in March also took its first tentative step into health and beauty aids with test marketing of Satine, a translucent beauty soap

Clorox in September 1989 sold its Olympic stain and Lucite paint business to PPG Industries, refocusing its attention on the grocery business

In April 1990, Christian Leaders for Responsible Television, an advocacy group, called off a boycott launched in July 1989 The group had objected to some of the shows Clorox advertised on While the boycott prompted Clorox to revise its procedure for reviewing TV shows, Clorox did not tighten its broadcast sponsorship standards

Robert A Bolingbroke, a 28 year veteran, was promoted in July 1990 to president-coo, succeeding John W Collins, who retired in 1989 Mr Bolingbroke, 52, is in line to succeed Chairman-CEO Charles R Weaver, 61

Headquarters

Clorox Co
1221 Broadway
Oakland
Calif 94612
(415) 271-7000

Corporate personnel

C R Weaver, chmn-ceo, Robert Bolingbroke, pres-coo, Will Lynn, Craig Sullivan, grp vps

Marketing personnel

Don Murray, vp-household prods, Jack Robertson, adv mgr-household prods, A W Biebl, vp Kingsford prods, Janet Brady, adv mgr-Kingsford prods, Robert Klaus, genl mgr-food svc prods, K S Koelman, dir mktg food svc prods, Peter Louras, vp-intl, R H Boite, dir-media svcs, David L Goodman, vp-public affairs & mktg svcs

Brands

Clorox bleach, Clorox 2, Liquid Clorox 2, Clorox Detergent, Clorox Pre-Wash, Clorox Clean-Up, Formula 409, Tackle, Tilex, Satine, new prods

Ad agency Foote, Cone & Belding, San Francisco Kit Mill, grp mgmt super

Hidden Valley Ranch, Take Heart, Pine-Sol, Fresh Step, Litter Green, K C Masterpiece, Brita Water Filter System, new products

Ad agency Young & Rubicam, San Francisco Craig Branigan, genl mgr

Liquid-Plumr, Soft Scrub, Combat, Kingsford charcoal, Kingsford lighter fluid, Kingsford Pro Grill, BBQ Bag, Match light

Ad agency DDB Needham Worldwide, Chicago Colby Kerr, vp-grp acct dir

Hidden Valley Ranch-food svc, Domani Italian food products-foodservice

Ad agency Anderson/Rothstein, San Francisco Kim Rothstein, exec vp

Institutional foodservice

Ad agency Scott Advertising, Milwaukee Charles E Reynolds, pres

Top 25 syndicated TV advertisers

Rank	Advertiser	Syndicated TV spending 1989	1988	% chg	Total U.S. ad spending 1989	1988	Syndicated TV as % of total 1989	1988
1	**Philip Morris Cos.**	$106.8	$88.6	20.6	$2,072.0	$2,028.4	5.2	4.4
2	**Procter & Gamble Co.**	90.4	65.7	37.6	1,779.3	1,655.8	5.1	4.0
3	**Kellogg Co.**	50.7	23.4	116.8	611.6	550.1	8.3	4.2
4	**Unilever NV**	38.9	27.3	42.5	604.1	649.1	6.4	4.2
5	**Bristol-Myers Squibb Co.**	34.3	32.6	4.9	451.6	424.2	7.6	7.7
6	**Nestle SA**	33.3	25.5	30.6	608.4	552.8	5.5	4.6
7	**H.J. Heinz Co.**	27.2	18.8	44.5	342.3	336.8	7.9	5.6
8	**Grand Metropolitan PLC**	25.4	18.8	35.2	823.3	754.6	3.1	2.5
9	**Warner-Lambert Co.**	24.7	19.6	26.5	585.9	605.6	4.2	3.2
10	**Mars Inc.**	22.3	23.8	(6.3)	293.3	334.5	7.6	7.1
11	**Tonka Corp.**	21.8	0.0	NA	NA	NA	NA	NA
12	**General Motors Corp.**	20.7	6.1	241.5	1,363.8	1,290.6	1.5	0.5
13	**SmithKline Beecham PLC**	20.0	17.9	12.1	203.2	258.8	9.8	6.9
14	**Johnson & Johnson**	19.1	13.3	44.0	487.1	473.3	3.9	2.8
15	**Coca-Cola Co.**	18.4	19.0	(3.1)	385.3	376.7	4.8	5.0
16	**Quaker Oats Co.**	17.5	18.4	(4.8)	357.8	409.5	4.9	4.5
17	**McDonald's Corp.**	17.4	12.5	39.1	774.4	728.1	2.2	1.7
18	**Hasbro Inc.**	17.2	21.2	(19.0)	151.9	176.7	11.3	12.0
19	**United Biscuits (Holdings)**	17.1	0.0	NA	NA	NA	NA	NA
20	**S.C. Johnson & Sons**	14.3	3.6	299.0	160.1	109.5	8.9	3.3
21	**Hershey Foods Corp.**	13.9	13.2	5.7	288.2	294.6	4.8	4.5
22	**Eastman Kodak Co.**	13.7	16.9	(19.2)	718.8	732.2	1.9	2.3
23	**RJR Nabisco**	13.5	15.0	(10.1)	703.5	740.9	1.9	2.0
24	**Ralston Purina Co.**	13.4	10.5	28.0	429.5	412.7	3.1	2.5
25	**Time Warner**	13.2	4.2	213.2	567.5	505.6	2.3	0.8

Note: Dollars are in millions **Source:** LNA/Arbitron See Page 2 for methodology and other source information

AA chart: Kevin Brown

RANK: 28

Coca-Cola Co.

Atlanta

Ad spending **$385.3 million**

U.S. ad spending ($ in thousands)

By media	1989	1988	% chg
Magazine	18 153	4 082	344 7
Sunday magazine	701	461	52 2
Newspaper	4 502	5 250	(14 3)
Outdoor	2 255	2 538	(11 2)
Network TV	98 838	119 091	(17 0)
Spot TV	68 104	56 123	21 3
Syndicated TV	18 372	18 952	(3 1)
Cable TV networks	4 027	4 589	(12 3)
Network radio	607	409	48 2
Spot radio	13 874	12 770	8 6
Measured media	229 432	224 265	2 3
Unmeasured	155 900	152 400	2 3
Total	385 332	376 665	2 3
By top brands	**1989**	**1988**	**% chg**
Coca Cola soft drink	77 407	84 456	(8 3)
Diet Coke soft drink	59 183	56 658	4 5
Minute Maid juices	30 835	19 246	60 2
Sprite beverages	22 515	22 370	0 6
Minute Maid soft drink	10 463	9 361	11 8
Hi-C drinks	5 326	2 918	82 5
Bacardi mixers	4 493	3 401	32 1
Diet Sprite soft drink	2 166	7 437	(70 9)
Mello Yello soft drink	1 873	894	109 5

Sales & earnings ($ in millions)

Worldwide	1989	1988	% chg
Sales	8 966	8 338	7 5
Earnings	1 724	1 045	65 0
U S	**1989**	**1988**	**% chg**
Sales	4 022	3 684	9 2
Operating income	468	434	7 9
Division sales	**1989**	**1988**	**% chg**
Soft drinks, domestic	2 566	2 284	12 3
Soft drinks, int'l	4 759	4 504	5 7
Foods	1 583	1 512	4 7

Annual review

The anticipated increase in marketing activity at Coca-Cola Co failed to materialize with Ira Herbert's ascendancy to president of Coca-Cola USA, but that didn't hamper the company from broadening the market share gap separating it from archrival Pepsi-Cola USA

Coca-Cola staked out 41 1% of the U S soft drink market, an increase of six-tenths of a point, while stealing away the high-profile Burger King and Wendy's fountain accounts Pepsi-Cola stayed within 10 points, climbing four-tenths of a point to 31 1%

The performances of Coca-Cola soft drink lines, which stretched their worldwide market share to 45% because of a 25% increase in international soft drink sales, were supported with $140 million in media, down 17% Soft drinks claimed 68% of the company's media dollars in 1989, down from 78% Most of the soft drink decline came from reduced spending in network TV

Coca-Cola maintained its high market visibility with a $100 million summerlong MagiCan and MagicCup promotion backed by singing group New Kids on the Block The giveaway promotion, launched to counter Pepsi's Cool-Can giveaway, at first was well received The Coke program involved a technologically innovative can from which a rolled bill in denominations up to $100 popped out when the tab was pulled Coke filled the randomly distributed cans with a non-corrosive, non-drinkable solution that had a foul taste and smell (it was not supposed to be drunk) The promotion was scuttled after Coke fell under considerable public pressure

Coca-Cola revisited its "I'd like to teach the world to sing" campaign featuring a blending of the old and new While Pepsi jumped off the celebrity endorsement bandwagon, Coca-Cola allied itself with basketball phenom Michael Jordan and hockey great Wayne Gretsky for Coca-Cola Classic, a pop star combo featuring Paula Abdul and Elton John for Diet Coke and comedian Arsenio Hall for Sprite

Corporate profits grew by 65% Earnings received a boost when Coca-Cola unloaded its 49% stake in Columbia Pictures Entertainment for $1 55 billion and liquidated its ownership of Belmont Spring Water Co for $61 million

The streamlining move was applauded by analysts, many of whom also believe the company would be more strongly focused without Minute Maid The company is pouring $130 million into a two-year marketing campaign for Minute Maid orange juice tied to the 1992 Olympics Minute Maid holds a 23 6% leading market share to Tropicana's 21% in the $3 billion orange juice market

Coca-Cola spent $46 6 million in media advertising on non-carbonated drinks in 1989, up 25% Most of that advertising—$41 3 million, up 21%—backed Minute Maid orange juice lines The remainder supported Hi-C

Coke Classic retained its position as the top selling U S brand with a 20% market share despite losing a tenth of a point from 1988, according to John C Maxwell Jr, analyst with Wheat, First Securities That drop was relative compared to No 2 Pepsi, which lost four-tenths of a point to claim 18 3% Coke Classic was supported with $70 4 million in media advertising, up 7 7%

The diet segment produced the winners in 1989 Diet soft drinks now claim 27 7% of the total market, a share that took off several years ago with the advent of NutraSweet Diet Coke climbed six-tenths of a point to 8 7% share of the overall market, good for third, as it drew $55 3 million in media spending, up 3 8% Diet Pepsi remained No 4 at 5 7%

Caffeine-Free Diet Coke, No 9 in the overall market, gained four-tenths of a point to 2 4%, while Caffeine-Free Diet Pepsi held down No 10 at 1 5%, according to Mr Maxwell The latter two products have been responsible for triggering the mercurial rise of caffeine-free soft drinks Caffeine-free entries grew by 16% in sales in 1989, to account for 5 2% of total industry volume

The non-cola sector was the only area of disappointment for Coca-Cola with Sprite maintaining its 3 6% market share from 1988, while Pepsi's Mountain Dew spurted to within one-tenth of a point at 3 5% Sprite media advertising dropped 2 7% to $21 7 million

Can a company get burned twice? The critics are watching as Coca-Cola test markets Coke II, an alias for the ill-fated New Coke New Coke, a slightly sweeter product, was envisioned to replace the original Coke recipe in a move that has become synonymous with Ford's Edsel it-seemed-like-a-good-idea-at-the-time syndrome

Headquarters

Coca-Cola Co
P O Drawer 1734
Atlanta, Ga 30301
(404) 676-2121

Division

Coca-Cola USA

Corporate personnel

M Douglas Ivester, sr vp, Coca-Cola Co - pres, Coca-Cola USA

Marketing personnel

Michael A Beindorff, vp-mktg planning, Donald B Lenehan, dir-sugar cola brands; Daniel H Sayre, mgr-diet Coke, Virginia R Rockwell, grp brand mgr-citrus brand; Christopher J Gagen, dir-media; Charles E Morrison, vp-black & Hispanic programs

Division

Coca-Cola Foods

Corporate personnel

H E Teasley Jr, vp, Coca-Cola Co, pres-ceo, foods business sector

Marketing personnel

Pierre U Ferrari, sr vp-mktg & planning, foods business sector; Richard M Helmey, sr vp-foodservice, Mallory J Campbell, vp-trade mktg, George G Woody, vp-mktg

Brands

Black adv: Coca-Cola USA

Ad agency Burrell Advertising, Chicago Tom Burrell, pres, Sara Burrough, sr vp-gm, Neva Richardson, vp-acct super

Hispanic adv: Coca-Cola USA

Ad agency Castor Advertising, New York Castor Fernandez, pres, Carlos Delgado, media dir, Roberto Manano, creative dir

Sprite, diet Sprite, Mr. Pibb, Fanta domestic, Minute Maid orange soda, Fresca, Mello Yello

Ad agency Lowe & Partners, New York Andy Langer, ceo, Richard Villante, pres, Eric Einhorn, exec vp, John Most, sr vp-mgmt super

Coca-Cola Classic, caffeine-free Coca-Cola, Fanta Intl, Cherry Coke, Diet Cherry Coke

Ad agency McCann-Erickson, New York John Donner, pres, Gunnar Wilmont, sr vp-grp dir, Bill Grogan, vp-acct super, Silvia McCarthy, acct super-Cherry Coke, Phil Shaw, acct super

Diet Coke, caffeine-free Diet Coke

Ad agency Lintas New York Stone Roberts, exec vp-chmn strategic review board, Phil Crossland, exec vp, Becky Broers, vp-mgmt super, John Roberts, acct super, Robert Painter, acct exec

RANK: 43

Colgate-Palmolive Co.

New York

Ad spending **$246.3 million**

U.S. ad spending ($ in thousands)

By media	1989	1988	% chg
Magazine	9 177	12 603	(27 2)
Sunday magazine	143	501	(71 5)
Newspaper	1 411	2 031	(30 5)
Outdoor	2 458	1 344	82 9
Network TV	39 198	63 896	(38 7)
Spot TV	13 881	20 375	(31 9)
Syndicated TV	6 476	5 665	14 3
Cable TV networks	1 863	858	117 1
Network radio	0	286	NA
Spot radio	1 562	1 223	27 7
Measured media	76 169	108 783	(30 0)
Unmeasured	170 100	242 900	(30 0)
Total	246 269	351 683	(30 0)
By top brands	**1989**	**1988**	**% chg**
Colgate toothpaste & toothbrushes	35 557	40 827	(12 9)
Palmolive detergents	11 339	14 065	(19 4)
Fab laundry detergents	8 113	16 702	(51 4)
Irish Spring soap	6 608	7 845	(15 8)
Hills Science pet foods	4 774	3 721	28 3
Viadent toothpaste	3 371	3 928	(14 2)
Ajax cleaners	2 701	5 021	(46 2)
Softsoap	1 358	1 485	(8 5)
Palmolive soap	1 240	55	NA
Fresh Feliners litter box liners	1 086	0	NA

Sales & earnings ($ in millions)

Worldwide	1989	1988	% chg
Sales	5 039	4 734	6 4
Earnings	280	318	(11 9)

U.S.	1989	1988	% chg
Sales	1,828	1,687	8.3
Operating profit	180	68	165.0
Division sales	**1989**	**1988**	**% chg**
Household, personal care	4,413	4,253	3.8
Specialty marketing	625	482	29.8

■ Annual review

Colgate-Palmolive's strategy for its U.S. business is to drive new-product growth with funds generated by brand lines. This has led the company to hold the line on costs, including clipping advertising and promotional support for sluggish brands.

The company scrapped its centralized ad functions directed by Clay Timon, vp-director worldwide advertising, who left this month. C-P says he left because of "deep philosophical differences." Global ad implementation remains in the hands of operating executives. Mr. Timon was responsible for consolidating most of Colgate's accounts with Young & Rubicam and FCB/Leber Katz Partners.

During 1989, an overall 30% cut in U.S. media spending led to substantial market-share losses within core categories, said Jay Freedman, analyst at Kidder Peabody & Co., New York.

Colgate also is sacrificing shelf facings—and perhaps incremental bargaining power at the retail level—to accomplish its goal of enhanced profitability, he noted. Shelf space does not go begging as retailers constantly search for products to replace slow-moving ones, the latter often resulting from reduced advertising. A higher slotting allowance may be required to keep a slower-moving product on the shelf.

Media slashing largely affected Fab 1 Shot detergent, said Michael Hoye, exec VP-marketing and sales effectiveness at Colgate. Support was pulled from the product after it failed to meet share expectations, he said.

But while $9 million indeed was clipped from Fab 1 Shot (from $16.8 million in '88), an additional $21 million in cuts were spread among other Colgate lines, according to LNA/Arbitron.

Colgate sliced $16.3 million in all from its detergent lines—$3 million from Ajax cleaning products, $4.3 million from Dynamo—leaving it with no measured spending in 1989, in addition to Fab 1 Shot cuts.

Ajax, Dynamo, Fab and Fresh Start brands now hold an 8.4% share of the $3.8 billion U.S. laundry detergent category, compared with 11% last fall. P&G claims 53.5%, up from 51.0%.

Colgate's share of the light-duty dishwashing liquid category remained stable, with Ajax, Palmolive, Crystal White Octagon and Dermassage combining for a 27% share, up slightly from 26.7%. Palmolive dishwashing liquid, supported with $7.7 million in media, a 3.6% decline from 1988, was reintroduced in 1989 with a richer formula. A refill pack for Palmolive is in test.

Media spending on Palmolive automatic dishwasher liquid plunged 43%, producing a time-release effect on market share. The product gained half a share point to 12% in the $500 million category in 1989 but by summer 1990 had eroded to 9.5%. P&G's Cascade leads with a 55% share.

Spending slipped 4.4% on Colgate toothpaste brands as a whole. The company exited the year with a 29.5% share of the $1.05 billion U.S. toothpaste category, off from 33% in 1988. Viadent, acquired from Vipont Pharmaceutical in 1989, holds a 1.2% share. Colgate brand holds 42% of the $2.6 billion worldwide market.

The company in mid-1990 broke a $30 million "Colgate Smiles" umbrella campaign, replacing "Wisdom Tooth" ads featuring actor Pat Morita. The umbrella campaign will be supplemented with ads for individual brands.

A new Colgate Plus toothbrush for sensitive gums was introduced in the U.S., and "Smile-O-Saurs" characters were added to the Colgate Junior toothbrush line. Colgate in mid-1990 began distributing Colgate Gum Protection Formula, an anti-plaque toothpaste, in six countries. The product awaits FDA approval.

In food stores, Colgate is volume share leader in the toothbrush category, according to syndicated scanner data.

Colgate cut media spending 65% for mouthrinse to $5.5 million. The brand currently holds a 1.7% share of the $550 million U.S. mouthwash category, down from 5% last year.

Media outlays dropped 7% on bar and liquid soaps in 1989 as Colgate claimed 9.5% (same as in fall 1988) of the $1.35 billion U.S. liquid and bar soap market with its Palmolive and Irish Spring bar soap and Softsoap liquid soap. Softsoap accounted for 3.5 of the percentage points. Spending behind Softsoap declined 19.9% to $1.4 million.

Softsoap Enterprises in mid-1990 introduced nationally a line of effervescent aromatic bath tablets in three fragrances under the Village Bath name. Nelson Henry, Minneapolis, handles on a project basis. The tablets seemed to blunt a move by Andrew Jergens Co. to introduce Actibath tablets.

Sales of Hill's small animal dietary products grew 41% to $500 million in 1989, with Hill's benefiting from two well-established lines—Prescription Diet, dispensed by veterinarians, and Science Diet, sold by authorized pet shops, pet professionals and veterinary hospitals.

Colgate strenghtened its Hill's Pet Products by acquiring the veterinary distribution business of McKesson Corp. in 1989.

■ Headquarters

Colgate-Palmolive Co.
300 Park Avenue
New York, N.Y. 10022
(212) 310-2000

■ Corporate personnel

Reuben Mark, chmn-pres-ceo; William S. Shanahan, sr exec vp-coo, Roderick L. Turner, sr exec vp-chief of operations & specialty mktg; Robert M. Agate, exec vp-cfo; Silas M. Ford, exec vp-exec offices; William G. Cooling, exec vp-chief tech officer; Douglas M. Reid, sr vp-human resources; Katharine R. Tarbox, vp-investor relations.

■ Marketing personnel

Household and Personal Care: Brian F. Bergin, pres-Colgate, Europe; Lois D. Juliber, pres-Colgate, Far East & Canada; David A. Metzler, pres-Colgate, Latin America; Michael S. Roskothen, exec vp-commercial operations, Colgate-Europe; Edgar J. Field, grp vp-intl business devel; Craig B. Tate, vp-grp head, global business devel; Thomas G. Davies, vp-fabric care, global business devel; Javier Garcia Teruel, vp-body care, global business devel; Kathleen Thornhill, vp-oral care, global business devel; Douglas R. Wright, vp-household surface care, global business devel. Colgate US: Edward T. Fogarty, pres; Michael L. Hoye, exec vp-mktg & sales effectiveness; Robert E. Blanchard, vp-gm, home care div; Donald R. Kitchen, vp-gm, fabric care; Jane Parker, gm-body care div; Douglas L. Meyer, vp-gm, oral care div; Christian A. Nast, vp-sales; Grace Richardson, vp-consumer affairs; Larry Wilhelm, pres-SoftSoap Enterprises; Cyrill R. Siewert, pres, Colgate-Hoyt; Greg Andrews, gm, African-American mktg; Herney Nisimblatt, gm-Hispanic mktg.

■ Brands

Palmolive dishwashing liquid, Palmolive Automatic liquid for dishwashers, Dynamo detergent, Fab detergents, Ajax multi-surface cleaner, Ajax cleanser, Ajax laundry detergents, Ajax dishwashing liquid, Fresh Start detergent, Axion powder, Palmolive soap, Ultra Brite toothpaste

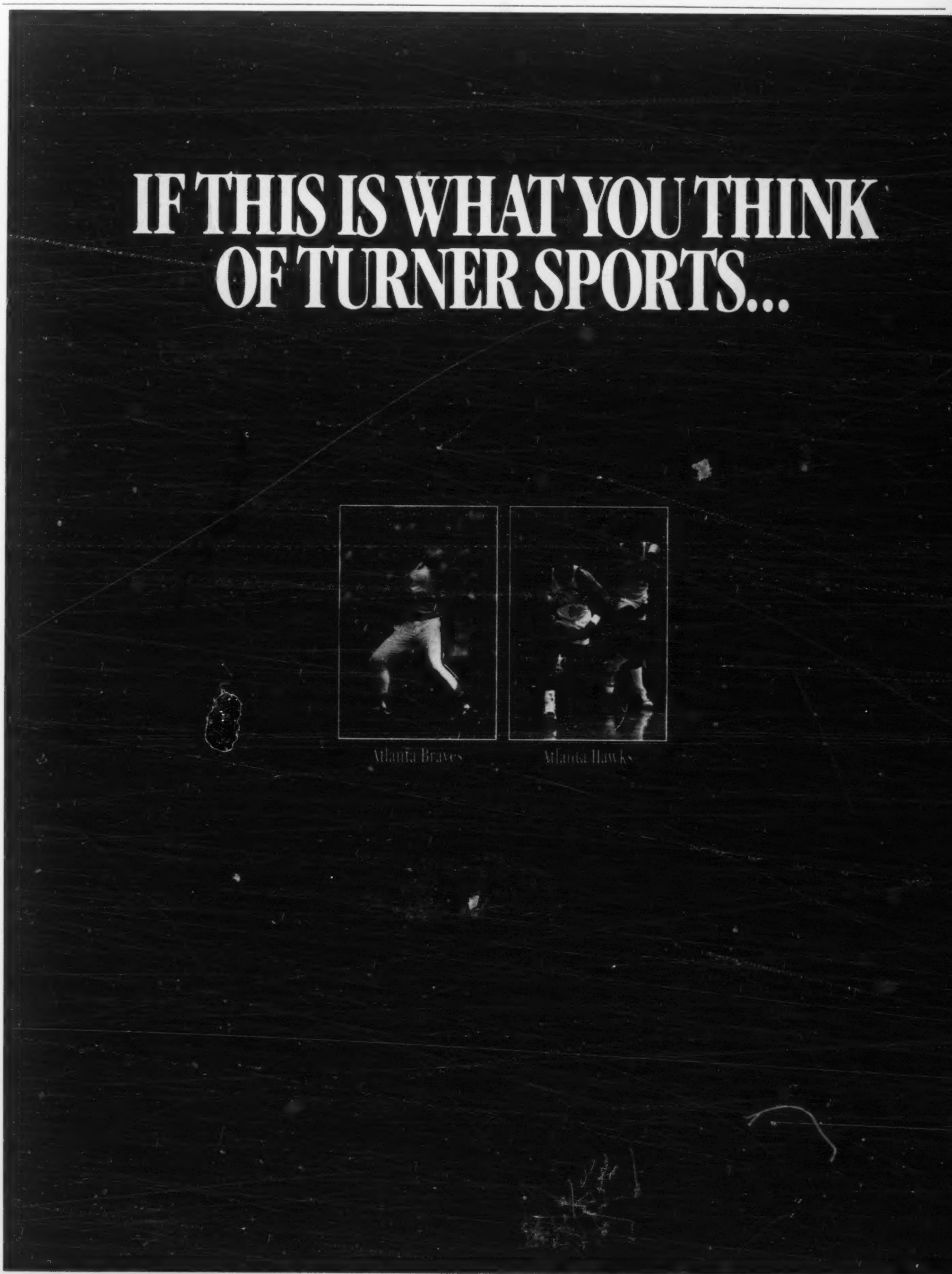
Ad agency: FCB/Leber Katz Partners, New York. William McDonough, sr vp-worldwide acct dir; Colleen Gowl, exec vp-grp mgmt dir, US; Patti Albanese, vp-acct dir.

Hispanic (all brands)

Ad agency: Siboney Advertising, New York. Luis Nasr, gm; Susan Baird, acct super.

Colgate dental cream, Colgate Tartar Control toothpaste and mouthwash, Colgate Jr. toothpaste, Colgate Gum Protection toothpaste, Irish Spring soap, Colgate toothbrushes, Fluorigard mouthwash, Colgate shave prep

Ad agency: Young & Rubicam, New York. Gerard Dufour, sr vp-worldwide acct dir;


IF THIS IS WHAT YOU THINK OF TURNER SPORTS...
Atlanta Braves
Atlanta Hawks

Avi Dan, sr vp-mgmt super, US; Adrienne Darling, Claudia Eisen, David Sable, vps-acct supers.

Subsidiary

Hill's Pet Products
Topeka, Kan

Marketing personnel

Robert C. Wheeler, pres-ceo; Stephen J. Fogarty, exec vp-mktg & sales; David J. Geier, vp-mktg comms; Richard F. Hawkins, vp-intl; J. Richard Woodall, vp-sales; James Humphrey, vp-vet mktg; Dr. Larry Hawk, grp mktg mgr; Ted R. Freese, dir-pet mktg.

Brands

Prescription Diet

Ad agency: Harmon Smith Advertising, Kansas City, Mo.; Scott Johnson, vp-client svcs, Prescription Diet.

Science Diet

Ad agency: Y&R/Wunderman Worldwide, Detroit, Mich.; Chuck Riley, exec vp-dir client svcs; Mark Zucco, mgmt super.

Subsidiary

Institutional Financing Services
Benicia, Calif.

Marketing personnel

E. Peter Raisbeck, pres-ceo; Jim Cascino, exec vp-sales & mktg; Michael Takagawa, vp-mktg.

Subsidiary

Princess House Inc.
North Dighton, Miss.

Marketing personnel

Stephen K. Zrike, pres-ceo; Patrick E. Tahaney, sr vp-global sales & mktg; William O. Porteous, vp-field sales devel; Elizabeth A. Bowes, vp-incentive mktg.

Brands

Princess House lead crystal-home party plan

Ad agency: Creamer, Dickson, Basford, Providence, R.I.; Peg Holda, acct exec.

Subsidiary

Colgate-Palmolive Institutional Products
Tenafly, N.J.

Marketing personnel

Kenneth E. Snyder, pres-ceo; Bernard J. Rafferty, vp-sales; Al Chadourne, mktg mgr-soap & dishwashing prods; Gary Clarke, mktg mgr-cleansers, all purpose cleaners & new prods; Edward R. Gagliardi, dir mktg.

RANK: 51

ConAgra

Omaha
Ad spending: **$211.3 million**

U.S. ad spending ($ in thousands)

By media	1989	1988	% chg
Magazine	15,104	6,878	119.6
Sunday magazine	457	772	(40.8)
Newspaper	1,284	4,992	(74.3)
Outdoor	86	133	(35.2)
Network TV	35,141	34,598	1.6
Spot TV	25,608	27,669	(7.4)
Syndicated TV	6,750	5,630	19.9
Cable TV networks	3,452	2,325	48.5
Network radio	622	1,494	(58.3)
Spot radio	6,193	11,410	(45.7)
Measured media	94,698	95,900	(1.3)
Unmeasured	116,600	118,100	(1.3)
Total	211,298	214,000	(1.3)

By top brands	1989	1988	% chg
Orville Redenbacher snacks	14,531	15,601	(6.9)
Hunts dinners	10,885	2,070	425.8
Hunts sauces	10,622	12,647	(16.0)
Healthy Choice frozen meals	10,226	0	NA
Peter Pan peanut butter	9,216	9,288	(0.8)
Swift meats	8,138	8,539	(4.7)
Hunts condiments	4,723	1,955	141.5
Wesson oils	2,996	7,400	(59.5)
Eckrich meats	2,539	2,689	(5.6)
Swift Premium Brown sandwich	2,461	1,238	98.8

Sales & earnings ($ in millions)

Worldwide	1990	1989	% chg
Sales	19,763	15,406	28.3
Earnings	244	203	20.1

Division sales	1990	1989	% chg
NSI (Beatrice)	1,985	1,913	3.8
Swift-Eckrich (Beatrice)	1,328	1,306	1.7
Beatrice-U.S. Food	953	853	11.7
Beatrice	(4)	(6)	NA
Agri-products	2,330	2,243	3.9
Trading & processing	1,959	1,869	4.8
Prepared foods	11,032	7,085	55.7
Finance companies	180	144	25.2

Notes: Financial figures are pro forma for BCI Holdings and ConAgra as if the merger were completed at the start of their fiscal year 1989. BCI's current fiscal year ended Feb. 28, 1990, and ConAgra's May 27, 1990.

Annual review

Food giant ConAgra has significantly increased its profile in supermarkets and with consumers with two key steps: the introduction of Healthy Choice frozen foods and acquisition of Beatrice Co.

The acquisition of Beatrice this August made ConAgra the second largest U.S. food company, behind Kraft General Foods. Together, ConAgra's $15.5 billion and Beatrice's $4.3 billion in sales nearly totaled $20 billion last year. ConAgra paid $1.34 billion in cash and stock for Beatrice, and assumed $1 billion in debt from previous owner Kohlberg, Kravis, Roberts & Co.

ConAgra's far-flung divisions, ranging from frozen foods and agri-products to pet products and direct-marketed beef, are relatively new to big-budget consumer advertising; the $12 million budget that supported the Healthy Choice rollout represented most of ConAgra's $15 million in measured-media spending last year.

But adding Beatrice's three divisions—Beatrice/Hunt-Wesson, Swift-Eckrich and Beatrice Cheese—means adding businesses that rely on media exposure, which last year totaled $74 million, according to LNA/Arbitron.

Most of Beatrice's brands—which include Butterball turkeys, County Line cheese, Eckrich hot dogs and lunchmeats, Hunt's tomato products, Orville Redenbacher's popcorn, Wesson oils—seem in relatively good shape despite a roller coaster ride through three different owners and a leveraged buyout in the past four years.

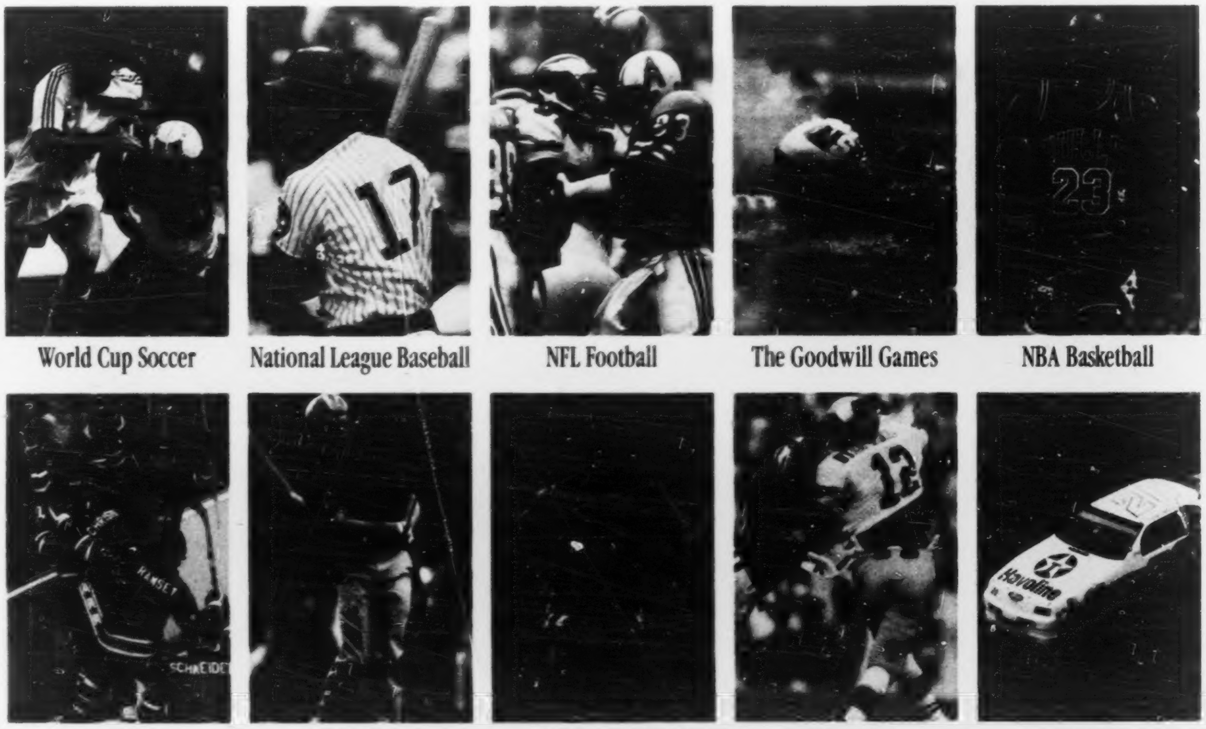
Among the stellar performers are Orville Redenbacher's, which has a leading 41% of the $500 million popcorn market, and Wesson oil, with 24.1% of the $1 billion cooking oil market. More troublesome are some of the Swift and Eckrich meat lines, with relatively small market shares, and newer products like Hunt's spaghetti sauce and barbecue sauce, and Minute Gourmet dinner mixes.

In addition to maintaining No. 2 market shares in the U.S. beef (25%), pork (13%) and poultry (10%) markets, ConAgra increased its presence in value-added foods with Beatrice. Although its agri-products and commodities divisions are large, ConAgra takes in 71.2% of its sales and 63.5% of its profit from prepared foods; the percentage of sales should increase to more than 75% with Beatrice officially added to the corporate ledger.

ConAgra's method of market growth has largely been through acquisition. Just as Beatrice gave it instant market share in the dry grocery section of supermarkets, a series of acquisitions in the 1980s made it the largest marketer of prepared frozen foods.

Last year was a turning point for ConAgra Frozen Foods, which was ranked No. 2 in the $3.2 billion entree market in 1989 with a 14.26% share behind Nestle's Stouffer lines with 24.35% and ahead of Kraft General Foods' 11.60%, Heinz Weight Watchers' 10.5%, Tyson's 6.49% and Campbell's 2%. It moved away from simply building its acquired product lines—Banquet, Morton, Patio, Chun King and Armour—to developing its own brands. The landmark brand was Healthy Choice, a line of frozen dinners low in calories, cholesterol, fat and sodium, that reached national distribution in the fall of 1989. Even without full distribution for the whole year, Healthy Choice became a nearly $200 million brand in ConAgra's fiscal 1990, ended May 28. Following the dinners' success, ConAgra introduced a line of Healthy Choice entrees late last year, and plans to look for other opportunities to expand the Healthy Choice name.

ConAgra bolstered its leading Banquet brand name earlier this year with the national rollout of Kid Cuisine, frozen dinners for 3-to-9-year-olds. It also broadened the distribution of Zap microwaveable snacks—pizza, sandwiches and french fries—into more midwestern markets.



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Reflecting the trend toward fresh branded meats, ConAgra's poultry division last year hired DDB Needham, Chicago, to produce a $10 million TV and print campaign for its Country Pride chicken line. Ads are tagged, "It's hard to be humble when you're serving Country Pride." The company tested products to add value to the Country Pride name, including ground chicken and marinated chicken parts.

In April, Armour Food Co. resuscitated its 20-year-old jingle, "What kind of kids eat Armour hot dogs?" in a TV, radio and print campaign from Bernstein-Rein, Kansas City, Mo., named Armour's agency of record last year. Armour also introduced a lower-fat, lower-salt hot dog last year.

ConAgra Pet Products, maker of Geisler pet health products and accessories (using Snoopy as spokesdog), last year acquired the Sergeant's line of pet products from A.H. Robins Co. This summer, ConAgra broke a spot TV, print and promotional campaign timed for flea and tick season; central to the promotion was an 18-minute video featuring explanations of and tips on avoiding Lyme disease. Campbell-Mithun-Esty, Minneapolis, handled creative on a project basis.

As a sign of its growing seriousness in marketing value-added prepared foods, ConAgra hired James Tindall as president-coo of its prepared foods division. Mr. Tindall, formerly senior VP-general manager of Quaker Oats Co.'s North American Foods division, also is heading up the ConAgra division's frozen foods unit for the present.

■ Headquarters

ConAgra Inc.
One ConAgra Drive
Omaha, Neb. 68102
(402) 595-4000

■ Corporate personnel

Charles M. Harper, chmn-ceo; Philip B. Fletcher, pres-coo; L. James Kennedy, vp-corp dir, mktg.

■ Division

ConAgra Prepared Foods Co.
Omaha, Neb.

■ Marketing personnel

James R. Tindall, pres-coo, ConAgra Prepared Foods Cos.; Thomas Studer, sr vp-mktg & sales, ConAgra Frozen Foods; John White, vp-mkt, Armour Food Co.; Dan Davis, sr vp-sales & mktg, Singleton Seafood Co.; Steve Susnjar, vp-retail sales, Singleton Seafood Co.; Jack Perkins, vp-sales & mktg, Country Skillet Catfish Co.; Topper Pardoe, dir-mktg, Home Brands Co.; John Schranck, prod mgr-branded prods, Home Brands Co.; Gary Baumstark, bid business mgr, Home Brands Co.; Jeanette Hall, dir-mktg, ConAgra Deli Co.; Rich Porter, vp-sales & mktg, Lamb-Weston Inc.; Tony Moseley, dir-mktg, Lamb-Weston Inc.

■ Brands

Armour meats

Ad agency: Bernstein-Rein, Kansas City, Mo. Mike Schreiber, vp-mgmt super.

Healthy Choice, new products

Ad agency: Campbell-Mithun-Esty, Minneapolis. Madeline Betsch, exec vp-dir, acct svcs; Roxann Goertz, vp-mgmt super.

Armour Classics Lites, Armour Dinner Classics, Armour Dining Lite, Banquet brands, Chun King frozen foods, Kid Cuisine, Home Brands, Patio, Zap

Ad agency: D'Arcy Masius Benton & Bowles, St. Louis. Richard Spatz, sr vp-dir, acct mgmt; Steve Kempf, vp-mgmt super; Michele Fite, acct super.

Singleton Seafood

Ad agency: Fahlgren Martin Benito, Tampa, Fla. Duke Miller, exec vp-client svcs.

Lamb-Weston

Ad agency: The Food Group, Westlake Village, Calif. Steve Schiedermayer, gm.

Country Skillet

Ad agency: John Malmo Advertising, Memphis, Tenn. Buddy Boswell, acct exec.

■ Division

ConAgra Direct Marketing Cos.
Omaha, Neb.

■ Corporate personnel

Patrick Stewart, pres.

■ Marketing personnel

Roger Waters, vp-mktg, ConAgra Pet Products Co.; Sue Kristy, business mgr, ConAgra Consumer Direct.

■ Brands

Pet products

Ad agency: Smith, Kaplan, Allen & Reynolds, Omaha, Neb. Ronald Kaplan, sr exec vp-principal.

■ Division

ConAgra Broiler Co.
El Dorado, Ark.

■ Marketing personnel

Larry Hogrefe, vp-dir, mktg.

■ Brands

Country Pride chicken

Ad agency: DDB Needham Worldwide, Chicago. Wendy Wallis, vp-mgmt rep.

■ Division

Beatrice/Hunt-Wesson
Fullerton, Calif.

■ Marketing personnel

Albert J. Crosson, pres-ceo; Robert D'Ornellas, Michael D. Jeans, vps-consumer mktg; Edward A. Snell, vp-special markets & mktg svcs.

■ Brands

Hunt's All Natural barbecue sauce, Hunt's Snack Pack, LaChoy products, Peter Pan peanut butter, new products

Ad agency: Dailey & Associates, Los Angeles. Brian Morris, exec vp-dir, client svcs; Robert Berger, sr vp-mgmt super; Linda Krakowsky, vp-acct super; Beth Alexander, Erica Wallenbrock, acct execs.

Hunt's tomato paste, sauce and spaghetti sauce, Hunt's ketchup, Manwich, Orville Redenbacher popcorn, Rosarita Mexican foods, Wesson oils, new products

Ad agency: Ketchum Advertising, San Francisco. John Faville, sr vp-dir, acct svcs; Dennis Sones, vp-mgmt super; Suzan Briganti, Kristi Fordham, acct supers.

■ Division

Swift-Eckrich
Oak Brook, Ill.

■ Marketing personnel

Greg Ostrander, sr vp-consumer prods; Tim Harris, vp-gm, Eckrich; Don Andler, vp-business devel; Bill Heitz, vp-gm, Butterball; Randy Irion, dir-mktg svcs; Paul Reich, gm-breakfast meats; Patrick Riley, dir-mktg.

■ Brands

Butterball, Eckrich, Swift

Ad agency: Grey Advertising, New York. C. Jeffrey Stein, exec vp; Michael Gaertner, vp-grp mgmt super; Hugh Esposito, vp-mgmt super.

■ Division

Beatrice Cheese
Milwaukee

■ Marketing personnel

Robert H. Burns, pres; Jack Hallenbeck, sr vp-mktg sales.

■ Brands

County Line, Treasure Cave, Reddi Wip

Ad agency: no agency of record.

RANK: 94

Continental Airlines Holdings

Houston
Ad spending: **$119.6 million**

■ U.S. ad spending ($ in thousands)

By media	1989	1988	% chg
Magazine	2,396	2,335	2.6
Sunday magazine	2,613	477	447.9
Newspaper	72,209	82,197	(12.2)
Outdoor	1,072	1,437	(25.4)
Network TV	1,878	44	NA
Spot TV	11,002	11,288	(2.5)
Syndicated TV	24	0	NA
Cable TV networks	334	188	77.4
Spot radio	7,596	8,765	(13.3)
Measured media	99,123	106,732	(7.1)
Unmeasured	20,500	22,100	(7.2)
Total	119,623	128,832	(7.1)

By top brands	1989	1988	% chg
Continental Airlines	47,760	49,252	(3.0)
Eastern Airlines	43,764	48,150	(9.1)

■ Sales & earnings ($ in millions)

Worldwide	1989	1988	% chg
Sales	6,685	8,573	(22.0)
Earnings	(886)	(719)	NA

Division sales	1989	1988	% chg
Passenger	5,705	7,584	(24.8)
Cargo, mail, other	980	989	(0.9)

■ Annual review

The holding company for Continental and Eastern Airlines is entering a new era after a year of major changes in ownership, top management and ad agencies.

Even the name, Texas Air Corp., has been changed to Continental Airlines Holdings to reflect a new focus on primary business units.

Most significantly, Chairman-CEO Frank Lorenzo in August said he would sell most of his investment in Continental Holdings to Scandinavian Airlines System, already a 9.9% owner. The sale, awaiting government approval, means that Mr. Lorenzo will step down from chairman of the holding company and the Continental unit.

Mr. Lorenzo was expected in many quarters to be replaced by SAS President-CEO Jan Carlzon as chairman of the holding company. Instead, Carl Pohlad, a Continental director, banker and owner of the Minnesota Twins baseball team, was given the reins this month. Hollis L. Harris also was named chairman of the Continental Airlines unit. He was president-coo at Delta Air Lines.

Eastern Airlines has been under federal bankruptcy protection since March 1989. The court took operating control from Mr. Lorenzo and the parent company (then Texas Air) this April. Continental Airlines Holdings remains Eastern's largest shareholder.

The bankruptcy judge appointed Martin Shugrue as Eastern trustee with the mission of turning around the troubled airline, whether through existing or downscaled operations.

Philip J. Bakes Jr., Eastern president-CEO, left the company almost immediately after Mr. Shugrue's appointment. Mr. Shugrue dismissed agency of record Lintas:New York and hired Ogilvy & Mather, New York, for the $45 million account.

Under Mr. Shugrue's guidance, the agency and airline marketing staff put together a "100 Days" TV campaign to position the carrier as one with new leadership. The campaign message allowed former frequent fliers to criticize Eastern in TV spots, demonstrating the company's new openness and strategy to make change happen.

A fall campaign will center on a new business-class program involving a doubling of first-class seats. The goal is to offer executives first-class service at fares below those of competitors.

Continental Airlines in late January dismissed agency of record N W Ayer, Houston and New York. After a review, it named Wells, Rich, Greene, New York, to handle the $40 million-to-$50 million account.

Shortly after the review, James O'Donnell, senior VP-marketing and Continental marketing veteran, was abruptly fired. His position has not been filled but John Nelson, exec VP-marketing, has assumed advertising and marketing responsibilities.

Continental continues its strategy to upgrade its image among business travelers. A new corporate image program is in the works.

The once high-flying Texas Air Corp. held nearly a 20% share of total revenue passenger miles in 1987. The machinists strike that crippled Eastern reduced the carrier's presence while Continental's share has dropped somewhat.

Now the combined shares of the two carriers is 12.8%. Continental overall ranks No. 5 while Eastern is No. 9, based on PaineWebber figures for revenue passenger miles.

For the first seven months of 1990, Continental held an 8.7% share, down from 9.3% for the same period in 1989. Eastern grew to 4.1% from 2.3% in 1989 when the strike did the most damage.

The two airlines, which virtually split the $99.1 million in media advertising for the holding company in 1989, concentrated more than 80% of their ad dollars on newspapers and the rest on spot TV and spot radio. Network TV advertising has never been a big factor in spending by either airline.

■ Headquarters

Continental Airlines Holdings
333 Clay St., Suite 4040
Houston, Texas 77002
(713) 658-9588

■ Corporate personnel

Carl Pohlad, chmn; John Adams, James W. Arpey, Charles Goolsbee, sr vps.

■ Division

Continental Airlines
Houston

■ Corporate personnel

Hollis Harris, chmn; Mickey Foret, pres; Lewis H. Jordan, exec vp-system gm.

■ Marketing personnel

John Nelson, exec vp-mktg; Tim Brier, vp-pricing revenue mgmt; Tim Griffin, vp-mkt mgmt; Bob Lepisto, staff vp-passenger sales; Earl Quenzel, staff vp-mktg programs; Richard Metzner, sr dir-mktg svcs.

■ Brands

Continental Airlines

Ad agency: Wells, Rich, Greene, New York. Jim Lawrence, exec vp-grp dir; Gary Verrill, sr vp-mgmt super; Leslie Farrand, Teri Steele, vps-acct supers.

Ad agency: Wells, Rich, Greene, Houston: David Fraser, acct super; Ken Allen, acct exec.

■ Division

Eastern Airlines
Miami

■ Corporate personnel

Martin Shugrue, trustee.

■ Marketing personnel

George Brennan, sr vp-mktg; Richard Blake, vp-mktg planning & svcs; Michael Henderson, staff vp-adv & mktg comms.

■ Brands

Eastern Airlines

Ad agency: Ogilvy & Mather, New York. Bill Hamilton, exec vp-creative dir; Bill Gray, Gerry Lantz, sr vps-grp dirs; Tony Nieves, vp-acct dir; Rob Rosenberg, acct mgr; Yvonne Rivera, acct coord.

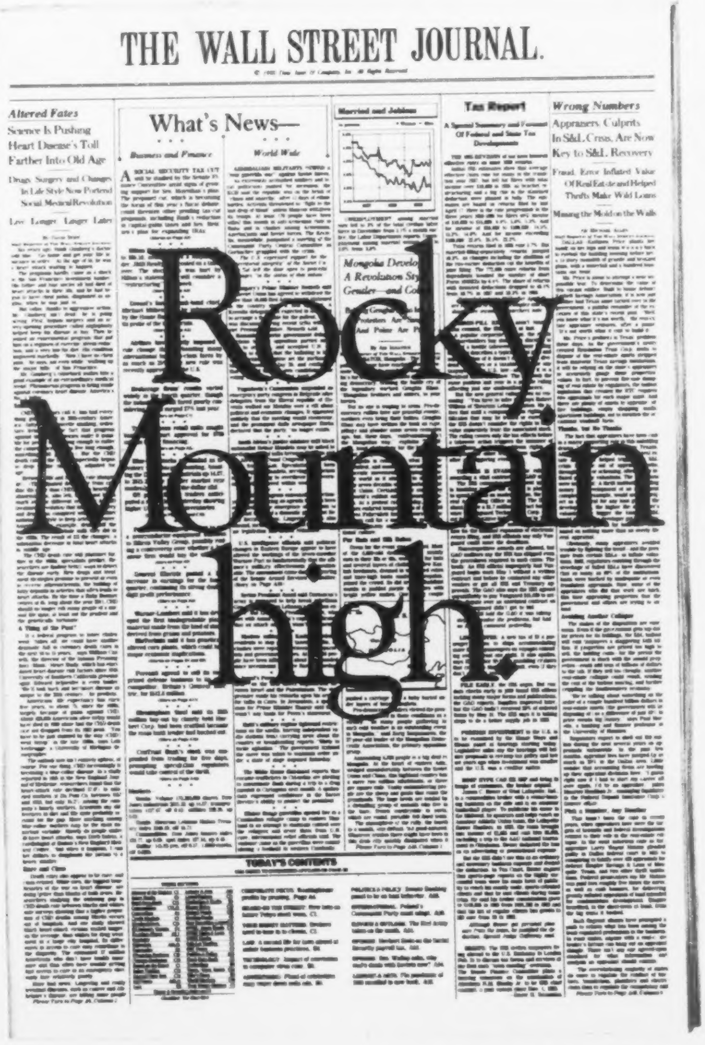
RANK: 55

Adolph Coors Co.

Golden, Colo.
Ad spending: **$201.0 million**

■ U.S. ad spending ($ in thousands)

By media	1989	1988	% chg
Magazine	2,828	3,019	(6.3)
Sunday magazine	324	277	16.9
Newspaper	1,429	1,496	(4.5)
Outdoor	3,778	2,887	30.4
Network TV	42,893	43,728	(1.9)
Spot TV	48,621	50,533	(3.8)
Syndicated TV	10,957	4,796	128.5
Cable TV networks	3,512	4,327	(18.8)
Spot radio	12,288	15,442	(20.4)
Measured media	126,631	126,514	0.1
Unmeasured	74,400	74,300	0.1
Total	201,031	200,814	0.1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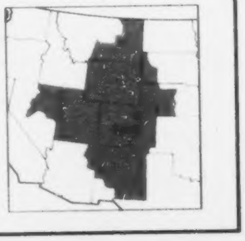

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Source: WSJ 1988 Worldwide Subscriber Study
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Top 25 cable TV network advertisers

Rank	Advertiser	Cable TV network spending 1989	1988	% chg	Total U.S. ad spending 1989	1988	Cable TV network as % of total 1989	1988
1	**Procter & Gamble Co.**	$39.3	$31.5	24.5	$1,779.3	$1,655.8	2.2	1.9
2	**Time Warner**	35.5	24.4	45.4	567.5	505.6	6.3	4.8
3	**Anheuser-Busch Cos.**	26.3	21.7	21.3	591.5	645.9	4.4	3.4
4	**General Mills**	21.3	20.0	6.5	471.0	447.8	4.5	4.5
5	**General Motors Corp.**	21.0	9.2	128.7	1,363.8	1,290.6	1.5	0.7
6	**Philip Morris Cos.**	20.5	23.1	(11.2)	2,072.0	2,028.4	1.0	1.1
7	**RJR Nabisco**	19.1	13.9	37.4	703.5	740.9	2.7	1.9
8	**Mars Inc.**	14.0	10.0	39.9	293.3	334.5	4.8	3.0
9	**Sears, Roebuck & Co.**	13.3	4.7	186.9	1,432.1	1,031.4	0.9	0.5
10	**Chrysler Corp.**	11.8	10.7	9.7	532.5	476.4	2.2	2.3
11	**American Home Products Corp.**	11.1	8.5	30.4	456.1	461.1	2.4	1.8
12	**Eastman Kodak Co.**	10.6	11.4	(6.5)	718.8	732.2	1.5	1.6
13	**Clorox Co.**	10.6	11.0	(3.3)	179.9	165.4	5.9	6.6
14	**Bristol-Myers Squibb Co.**	9.9	7.1	38.9	451.6	424.2	2.2	1.7
15	**PepsiCo Inc.**	9.7	4.7	106.9	786.1	710.9	1.2	0.7
16	**Levi Strauss & Co.**	9.5	7.1	34.3	123.1	122.9	7.7	5.7
17	**Gillette Co.**	9.2	8.2	11.7	185.1	158.1	5.0	5.2
18	**Wm. Wrigley Jr. Co.**	8.0	7.1	13.7	124.3	134.1	6.5	5.3
19	**Dow Chemical Co.**	7.6	5.8	31.9	160.2	150.1	4.7	3.8
20	**Unilever NV**	7.4	9.1	(17.8)	604.1	649.1	1.2	1.4
21	**Ford Motor Co.**	7.3	6.3	15.7	602.1	565.2	1.2	1.1
22	**McDonald's Corp.**	7.2	1.8	303.2	774.4	728.1	0.9	0.2
23	**Johnson & Johnson**	7.13	4.9	45.7	487.1	473.3	1.5	1.0
24	**U.S. Government**	7.07	2.4	200.2	309.5	294.3	2.3	0.8
25	**AT&T Co.**	6.6	7.8	(15.6)	567.7	547.1	1.2	1.4

Note: Dollars are in millions. **Source:** LNA/Arbitron. See Page 2 for methodology and other source information.

AA chart: Kevin Brown

By top brands	1989	1988	% chg
Coors beer	105,167	108,810	(3.3)
Keystone beer	7,338	0	NA
Adolph Coors	1,581	1,190	32.8

■ Sales & earnings ($ in millions)

Worldwide	1989	1988	% chg
Sales	1,764	1,522	15.9
Earnings	13	47	(72.0)

Division sales	1989	1988	% chg
Beer business	1,366	1,272	7.4
Ceramics business	167	152	9.7
Other	240	154	56.3

■ Annual review

Adolph Coors Co. outpaced the stagnant beer industry in 1989 as its shipments rose 7% to 17.7 million barrels, volume growth spurred by double-digit movement from Coors Light (up 18% last year to 10.5 million barrels), and unexpectedly strong sales from Keystone and Keystone Light—its first entries in the popular-price category.

Coors early this year shot past Stroh Brewery Co. as the nation's third largest brewer. Analysts predict shipment growth of 10%-12% in 1990.

Measured media advertising rose a modest 2.9% mostly from its new $7.3 million expenditure backing Keystone brands, which captured an unexpected 3% market share.

Barrelage gains left Coors short of brewing capacity. It solved the dilemma by buying Stroh Brewery Co.'s Memphis brewery. An effort to buy all of Stroh's was nixed by the U.S. Justice Department.

Coors Light passed Bud Light to become the nation's third best-seller among light beers, but it dropped from eighth to ninth among all brands. Its continued deterioration (down 19.7% to 5.1 million bbls.) in 1989 forced the company to switch from a national to a market-by-market approach and to a new campaign from GSD&M. In fact, Coors set up four regional marketing offices for all brands which directed their own local promotional and ad campaigns.

Once-hopeful Coors Extra Gold stagnated to the 2 million bbls. level as rival Miller Genuine Draft set growth records. Coors cut Extra Gold support from the normal $20 million-a-year level to just $2 million through midyear, tested advertising approaches and at mid-year finally moved the ad assignment from GSD&M to Foote, Cone & Belding, Chicago.

Coors quietly pulled the plug on Herman Joseph's and Herman Joseph's Light, its entries in the superpremium category, apparently to concentrate on Killian's Irish Red in the segment. It canned Turbo 100, its malt liquor, thereby dropping Tatham-Laird & Kudner, Chicago, as a Coors agency. Testing began on the Coors Rocky Mountain Spring Waters product.

Ironically, growth in shipments coupled with beer price wars hurt its bottom line, although more than half the 72% decline in earnings was due to writing down some non-brewing businesses. As of mid-year 1990, the company was reporting a 16% increase in revenues and a near tripling of profits.

Continuing efforts to expand from its brewing base into industrial ceramics and packaging materials influenced Coors adoption of a holding company format in 1989 with three semi-autonomous units—Coors Brewing Co. under Peter Coors; Coors Technology Co., under Jeff Coors, and Coors Ceramics Co., led by Joe Coors Jr.

■ Headquarters

Adolph Coors Co.
Golden, Colo. 80401
(303) 279-6565

■ Marketing personnel

Bob Rechholtz, exec vp-mktg; Robert Klugman, vp-brand mktg; Michael Marranzino, vp-devel & intl; Richard E. Franklin, vp-field mktg; Bob McBride, brand dir-Coors Light & Winterfest; Craig Guthrie, brand dir-Keystone & Keystone Light; Mark Stankovic, dir-intl mktg & Killian's; George Mansfield, brand devel mgr-Killian's; Steve Ritter, brand dir-Coors brand; Gary Skovsted, brand mgr-Coor Extra Gold; Mark Reiss, dir-media & field events; Bill Holbrook, dir-mktg svcs; Bob Joanis, dir-mtkg operations; John Meadows, dir-community relations; Anita Russell, dir-corp communications.

■ Brands

Coors Light, Coors Extra Gold, Keystone brands, Killian's Irish Red, Rocky Mountain Spring Waters

Ad agency: Foote, Cone & Belding Communications, Chicago. Dan Fox, exec vp-grp acct dir; Dave Solitt, mgmt dir; Tom Hollerbach, acct dir-Keystone; Diane Sprenger, acct dir-Coors Light; Bob Simon, vp-grp acct creative dir.

Coors brand, Hispanic mkts

Ad agency: GSD&M, Austin, Tex. Steve Gurasich, chmn-ceo; Chuck Grady, sr vp-acct dir, Hispanic; Steve Wille, sr vp-acct dir, Coors brand; Raoul Rodriguez, sr vp-Hispanic services; Tina Williamson, sr vp-assoc media dir, Hispanic; Gary Brahl, sr vp-exec creative dir; Tony Sandoval, vp-assoc creative dir, Hispanic.

Corp. community relations/women

Ad agency: Evans/Denver. Charles Bartholomew, chmn-acct super; Susan Davis, acct exec; Kelli McDonald, pres-media dir.

Marketing to blacks

Ad agency: Uniworld Group, New York. William Webster, vp-grp ad dir; Bernard Baskett, vp-acct super; Bruce Lewis, acct exec; Valerie Graves, sr vp-creative grp head; Aaron Bell, vp-assoc creative dir.

RANK: 65

CPC International

Englewood Cliffs, N.J.
Ad spending: **$166.2** million

■ U.S. ad spending ($ in thousands)

By media	1989	1988	% chg
Magazine	11,387	9,478	20.1
Sunday magazine	179	163	10.1
Newspaper	39	168	(76.7)
Outdoor	57	237	(75.8)
Network TV	30,168	18,731	61.1
Spot TV	16,005	17,522	(8.7)
Cable TV networks	2,849	310	818.0
Spot radio	264	1,378	(80.9)
Measured media	60,947	47,987	27.0
Unmeasured	105,300	82,900	27.0
Total	166,247	130,887	27.0

By top brands	1989	1988	% chg
Hellmanns mayonnaise	19,435	12,530	55.1
Skippy peanut butter	13,083	5,403	142.1
Mazola margarines & oils	9,413	10,573	(11.0)
Thomas bakery products	8,452	5,667	49.2
Knorr mixes	3,408	4,005	(14.9)
Best Foods mayonnaise & dressings	1,429	1,030	38.8
Arnold bread	1,310	1,202	9.0

■ Sales & earnings ($ in millions)

Worldwide	1989	1988	% chg
Sales	5,103	4,700	8.6
Earnings	328	289	13.5

U.S.	1989	1988	% chg
Sales	2,260	2,044	10.6
Operating income	294	244	20.5

Division sales	1989	1988	% chg
Consumer foods	4,049	3,815	6.1
Corn refining	1,054	886	19.0

■ Annual review

CPC International's brand franchises, which include Hellmann's mayonnaise, Mazola corn oil and Knorr soups, sauces and flavorings, continued to gain in market share as the company rolled out new products and acquired companies that parallel CPC's existing products.

Its core brands are being aggressively promoted and backed by an estimated $34 million (with $21 million for Hellmann's mayonnaise and $13 million for Skippy peanut butter) in consumer ad spending this year, according to Robert Gillespie, CPC's Best Foods division president.

Flagship brand Hellmann's benefited in what had been a declining category from its introduction of cholesterol-free and lighter versions of its mayonnaise product. The company sells mayonnaise under the Hellmann's label in the eastern U.S. and Best Foods logo in the West.

Backed by close to $19.5 million in media spending in 1989, up 40.3%, according to LNA/Arbitron, with $15 million promoting the lightened versions, Hellmann's (39.3% share) and Best's (15.6%) command nearly 54.9%, up from 50% last year, in the $693 million mayonnaise market in dollar volume, well ahead of Kraft General Foods at 24%, up from 23% last year. Private label brands held a collective 8.2% share.

This year the health-watcher segment is expected to account for 35% of total mayonnaise sales—although sales of lightened version of mayonnaise appear to be softening, according to Alan Miller, a consultant with Arbitron/SAMI who estimates the total mayonnaise market at $693 million retail.

Skippy peanut butter strategy continued to focus on augmenting uses of the product. Advertising, which totaled $13 million in 1989, up 130%, promoted "Skippy Dippin," the immersion of vegetables, fruits, pretzels, etc., in Skippy. A new 4-pound-size container was introduced to facilitate both dipping and consumption, and as a response to consumer interest in larger containers. The name was licensed for Skippy peanut bar ice cream to be manufactured by Hood Ice Cream Co. Pillsbury Co. uses Skippy in its cookie mix.

Jif peanut butter led the category as of mid-July, with a 29.7% share of the market, up 2.3 percentage points. Skippy followed closely at 24.2% based on sales of $229 million, up 5%. Category sales totaled just over $1 billion retail, according to Arbitron/SAMI.

BBDO Worldwide, New York, was awarded both the Skippy and Hellmann's/Best accounts, a total of $34 million, from Saatchi & Saatchi Advertising, New York. In April of this year, Saatchi & Saatchi resigned its $10 million Mazola corn oil account, its last in dwindling business at CPC. The Mazola products were picked up by Backer Spielvogel Bates, New York, which already had Thomas' English muffins.

Mazola corn oil placed third in the $590 million vegetable oil market, with a 17% share behind Procter & Gamble's Crisco and Puritan at 25%, and Beatrice Hunt-Wesson's Wesson brands at 23%. Mazola leads the corn oil segment of that category with a 60% share. The Mazola product line got $11.1 million in measured media, up 18%.

CPC pulled out of the American Heart Assn.'s Heartguide labeling program because of FDA's objections to overall program product claims. The corn oil marketer had been Heartguide's largest participant. Advertising continues to emphasize the health benefits of diet modification that includes the use of corn oil.

The umbrella concept in advertising and package graphics helped build a Mazola identity for brand-name spinoffs, margarine and cooking sprays.

CPC's most extensive product line, Knorr soups, sauces and flavorings, accounted for $1.1 billion of CPC's total sales in 1989, $800 million of which came from European markets and only $100 million from the U.S.

Its U.S. strategy with the line is building on its Old World image of family and fine dining, and also targeting Hispanic consumers, many of whom were exposed to the Knorr name in their native countries.

Thomas' English muffins, part of Best Foods Baking Group, enjoys market leadership in its category, bolstered by the introduction of an oat bran version at the end of last year. Advertising spending totaled $8.5 million in 1989, up 41.7%. Sahara Pita and Arnold Bakery Light breads address consumer preference for low-fat, high-fiber foods, a successful niche in today's market.

Mueller's is America's largest single brand of pasta. Targeting the kiddie sector, Mueller's unveiled "Super Shapes" this year, a dry pasta product in the shape of dinosaurs, outer space characters, jungle animals and monsters.

■ Headquarters

CPC International
International Plaza
Englewood Cliffs, N.J. 07632
(201) 894-4000

■ Division

Best Foods
Grocery Division
Englewood Cliffs, N.J.

■ Marketing personnel

Jan A. van Amerongen, vp-mktg svcs; Stanley M. Hakmiller, vp-sales; Joan S. Dargery, vp-new business devel; Malcolm Fletcher, vp-mktg; Sue B. Huffman, dir-consumer affairs; Aaron Straus, dir-information & mktg research; Robert T. Viscardi, media dir.

■ Division

CPC Food Service
Englewood Cliffs, N.J.

■ Marketing personnel

Robert J. Nemec, vp-mktg & sales; Mike Taylor, Donna Micali, prod mgrs.

■ Division

Knorr Special Products
Englewood Cliffs, N.J.

■ Marketing personnel

Bruce Hillenbrand, mktg dir; Charles E. Lloyd, prod mgr.

■ Division

Best Foods Baking Group
Fairfield, N.J.

■ Marketing personnel

Donald Berman, vp-business mgmt; Brian Anderson, vp-genl mgr, dry prods.

■ Brands

Thomas' English muffins, Karo syrup, Mazola products, new products, spot TV buying

Ad agency: Backer Spielvogel Bates, Worldwide, New York. Alan Kellam, mgmt super; Susan Rudolph, acct super; Harry Towers, acct exec.

Hellmann's/Best Foods mayonnaise, Skippy peanut butter, Mueller's Super Shapes dry pasta products, select new products, network TV media buying

Ad agency: BBDO Worldwide, New York. Anthony R. Brescia, sr vp-acct dir, Hellmann's/Best, Skippy, Mueller's; John Berg, vp-acct super, Skippy & Mueller's; Sean Clarkin, acct super-Hellmann's/-Best; Peter Goddard, acct exec-Hellmann's/Best; Matthew Dodds, acct exec-Mueller's; Karen Mans, account exec-Skippy.

Hispanic adv: Mazola corn oil

Ad agency: Bravo Group, New York. Daisy Esposito, pres-chief creative officer; Linda DeJesus, acct exec.

Mazola corn oil-medical profession promo

Ad agency: Medicus Intercon, New York.

Niagara spray starch, new products

Ad agency: Campbell-Mithun-Esty, New York. Joanne Chrisalli, mgmt super.

Hispanic adv: Hellmann's/Best Foods mayonnaise

Ad agency: Conill Advertising, New York. Liz Castelis, vp; Meg Kutler, sr acct exec.

Arnold Bakery light line, Arnold Bran-nola-bread, Brownberry breads

Ad agency: North Castle Partners, Stanford, Conn. Catherine Kramer, acct super; Lisa Field, acct exec.

Knorr soups, Knorr sauces, Knorr liquid sauces, Knorr bouillons

Ad agency: Warwick Baker & Fiore, New York. Walker Berwick, sr vp-grp dir; Marjorie Porter, vp-acct super; Loren Levin, acct exec.

RANK: 96

Daimler-Benz AG

Stuttgart, W. Germany
Ad spending: **$115.5** million

■ U.S. ad spending ($ in thousands)

By media	1989	1988	% chg
Magazine	17,598	17,169	2.5
Sunday magazine	115	40	183.7
Newspaper	21,415	21,027	1.8
Outdoor	0	54	NA
Network TV	23,573	19,453	21.2
Spot TV	14,301	8,190	74.6
Cable TV networks	1,513	792	90.9
Spot radio	7,129	7,153	(0.3)
Measured media	85,642	73,879	15.9
Unmeasured	29,900	25,800	15.9
Total	115,542	99,679	15.9

By top brands	1989	1988	% chg
Mercedes-Benz passenger cars	73,453	63,628	15.4
Daimler-Benz	3,756	12	NA

■ Sales & earnings ($ in millions)

Worldwide	1989	1988	% chg
Sales	40,705	42,054	(3.2)
Earnings	3,628	974	272.5

U.S.	1989	1988	% chg
Sales	6,944	6,762	2.7

■ Notes: Sales and earnings figures are converted at the rate of 0.53285 and 0.57220 dollars to the mark in 1989 and 1988, respectively.

■ Annual review

The marketing emphasis at Mercedes-Benz of North America, the U.S. subsidiary of Daimler-Benz AG, detoured from image to product attributes in 1989.

Interrelated factors of new competition in the luxury segment, a decline in Mercedes sales, a sluggish car market and upward pressure on prices due to currency shifts influenced the West German carmaker to shift its focus to safety, durability, resale value, dependability and overall brand leadership for its three basic tiers of cars.

Mercedes boosted its measured ad spending in 1989 by 15.9%, spreading its ad message through network radio, magazines, newspapers and TV, the latter (spot and network) accounting for the largest media increase of 40%. Mercedes also used local media for advertising funded jointly by Mercedes and its dealers. Heaviest media allotment of $32 million backed non-line-specific Mercedes-Benz passenger cars, up 19.4%.

The shift in marketing focus came when Mercedes car sales were dropping to 75,714 cars, down 9.6% from 1988, and far below 1986's high water mark of 99,314. The decline has since been reversed.

Mercedes, unlike some of its luxury competitors who cut prices on 1990 models, raised prices about 2.2%.

This summer, Mercedes re-introduced the four-cylinder 190E 2.3, which was dropped from the U.S. line for the 1989 model year. The car is the only Mercedes priced to compete against the under-$30,000 offerings from BMW of North America and Infiniti, Nissan Motor Corp.'s luxury division. Mercedes expects to sell 6,000 to 7,000 of the sedans this year.

For the first half of 1990, sales stood at 37,707 units, up 2.9% from the same period the year earlier, led by the top-of-the-line S-class series ($60,000-plus) and mid-range 300 class ($39,000-$56,000). The entry-level 190 ($32,000) class dropped by 5.1%.

Mercedes had feared that S-class sales would drop off as customers waited to buy the re-designed 1992 model. Mercedes offered special lease deals on its S and 300 class lines, which account for about 70% of its total sales volume.

Two new convertibles contributed to the sales gain. Through May, SL sales were up nearly 15% to 3,776, with 10,000 SL models a year expected when supply catches up with demand next year.

Mercedes also introduced two diesel models, engineered to be quicker, quieter and cleaner than earlier diesels. A third diesel model will be added in 1991.

Mercedes is counting on its new diesel engine to help it meet current federal standards for corporate average fuel economy and more stringent tail pipe emission standards in a new clean-air bill. Mercedes paid penalties for several years for failing to meet federal fuel economy standards. Nearly 80% of Mercedes' sales in early 1980 were diesel-powered.

Mercedes is in the midst of an overhaul of its product line. Future product plans include a replacement of its S-class in 1992, its entry level 190 series around 1992 and its 300 class in the middle of the decade. Plans also include the addition of the Daimler-Benz Gelaendewagen sport utility vehicle and possibly the addition of a minivan.

During 1989, the company backed its 190 series with $6.3 million in media, down 64%. Sales for the 190 were $14,503, down 13.4%. The 300 series attracted $20.1 million in measured ad spending, down 14.9%. Sales were 22,650, up 7%. The upscale 560 series, with prices ranging from $73,000 and up, got only $1.5 million in media, down 57%. Sales were 7,477, down 36.9%.

■ Headquarters

Daimler Benz AG
BPA
Postfach 80 02 30
D-7000 Stuttgart 80
West Germany

Mercedes-Benz of N. America Inc.
1 Mercedes Dr
Montvale, N.J. 07645-0350
(201) 573-0600

■ Corporate personnel

Erich Krampe, pres-ceo; Karl-Heinz Faber, sr vp-prod compliance, svc & parts; Wolfgang Hartung, sr vp-finance & admin; Mike Jackson, sr vp-mktg & sales; Gerd Klauss, vp-mktg; Bob Erzen, vp-human resource mgmt; Allan Freund, vp-genl counsel; Paul Halata, vp-N. American affairs; Bob Crolic, vp-Southern region; Jerry Giaquinia, vp-Western region; Jack McDonough, vp-Northeast region; Wayne Samson, vp-North Central region.

■ Marketing personnel

Albert Weiss, gm-mktg comms; Hans Kaemmlein, gm-strategic mktg & prod mgmt; Kevin Davidson, mgr-adv.

■ Brands

Mercedes-Benz

Ad agency: McCaffrey & McCall, New York. Will Metzger, acct dir.

RANK: 34

Dayton Hudson Corp.

Minneapolis
Ad spending: **$314.2** million

■ U.S. ad spending ($ in thousands)

By media	1989	1988	% chg
Magazine	1.998	1.059	88.7
Sunday magazine	4.448	879	405.8
Newspaper	106.462	91.500	16.4
Outdoor	191	178	7.8
Network TV	114	0	NA
Spot TV	44.198	27.206	62.5
Spot radio	7.911	5.799	36.4
Measured media	165.323	126.620	30.6
Unmeasured	148.900	114.000	30.6
Total	314.223	240.620	30.6
By top brands	**1989**	**1988**	**% chg**
Mervyn's misc	26.884	32.484	(17.2)
Target misc	19.605	20.518	(4.4)
Mervyn's apparel	13.483	2.954	356.5
Marshall Field's misc	10.760	3.698	191.0
Marshall Field's apparel	10.099	2.854	253.9
Marshall Field's household	8.347	1.288	547.9
Target apparel	7.956	9.042	(12.0)
Target household	7.599	7.992	(4.9)
Hudson apparel	7.172	5.481	30.8

■ Sales & earnings ($ in millions)

Worldwide	1989	1988	% chg
Sales	13.644	12.204	11.8
Earnings	410	287	42.9
Division sales	**1989**	**1988**	**% chg**
Target	7.519	6.331	18.8
Mervyn's	3.858	3.411	13.1
Department stores	1.801	1.693	6.4
Lechmere	466	769	(39.4)

■ Notes: Marshall Field & Co. is not included in sales and earnings.

■ Annual review

The purchase of Chicago-based Marshall Field & Co. this April by Dayton Hudson Corp. has newspaper executives shaking in Field's major marketing areas of Illinois, Ohio, Wisconsin and Texas.

Cutbacks appear imminent now that Field's has been linked up to DH's "Dayton Hudson Today" Sunday newspaper color insert issued 26 times per year. Such use of inserts by Hudson's in the Detroit area has carved in half the ROP linage previously used there. Newspaper ROP is about twice the expense of inserts.

The Field's equivalent insert, "Marshall Field's Today," will hit the Chicago market in November.

In all, Field's spent $33 million in measured media in 1989, up from only $8.4 million in 1988. Some $26 million of Field's '89 media spend was in national newspaper advertising, according to LNA/Arbitron. Field's spent $15 million alone with the *Chicago Tribune* last year.

The Minneapolis-based retailer, with 37 department stores primarily in Michigan and Minnesota, acquired Field's from Batus Inc., the U.S. subsidiary of B.A.T. Industries PLC, London, for $1.04 billion after a management-led buyout attempt failed. Its chairman, Philip Miller, left to head up Saks Fifth Avenue.

Marshall Field's 1989 revenues of $1.1 billion from 24 stores enables Dayton Hudson to pass May Co. as the largest department store chain in the Midwest.

The acquisition resulted in the elimination of an estimated 1,000 Field employees from the company's central organization. Included in that figure is the 100 people Field's employed in its in-house ad agency, Creative Field's.

Advertising for Field's is now handled by the 100-person in-house DH department in Minneapolis. Remaining in Chicago will be the 12-person Field's public relations department to handle special events for the chain.

Dayton Hudson's three major units spent $124 million in media advertising in 1989, up 19% over 1988 levels when eliminating $14 million credited that year to Lechmere, a unit sold last November.

Field's and DH are a good fit, says Harry Mortner, consultant with C.J. Lawrence, New York. "In the back room, a lot can be added in terms of merchandising, distribution and finance. Savings will be realized in many areas. Dayton Hudson might teach Field's a few tricks about merchandising, or buying in mass," he said.

The price of $1 billion was a good value, he noted, particularly good because Field's was the No. 1 franchise in a city the size of Chicago.

More than half DH sales and a third of the corporate media total ($48 million) in 1989 were accounted for by Target, the discount operation specializing in nationally branded and private label active and casual apparel. In 1989, Target opened 31 stores in the Southeast and 29 elsewhere bring the total to 399.

Target handles advertising in-house. Its measured spending increased 17.3% to $48 million in 1989. Virtually all the increase came from spot TV, which rose from $11 million to $19 million in 1989.

Mervyn's, DH's 221-unit moderate-priced department store chain, recently starting upgrading its private label stock, which accounts for 50% of sales.

Mervyn's reissued this past March its now year-old TV ad campaign themed "For the clothes you love to live in." Previous executions emphasized price. The campaign, handled by Cohen & Johnson, Los Angeles, runs in series of three during 30-minute programs. Of the DH units, Mervyn's advertised most in spot TV at $19.9 million, up 99%. Its overall media spend was $43.2 million, up 22.7%.

Mervyn's print advertising (exclusively in newspaper), which declined 8% to $23.3 million, is handled in-house. This year, the chain shifted from b&w to color newspaper inserts distributed to 12.5 million households per week.

■ Headquarters

Dayton Hudson Corp.
777 Nicollet Mall
Minneapolis, Minn. 55402
(612) 370-6948

■ Division

Dayton Hudson Department Store Co.
Minneapolis

■ Marketing personnel

Stewart Widdess, sr vp-mktg; Paul Karmann, dir-media planning; Jack Mugan, dir-creative svcs; Karen Bohnhoff, vp-trend merch & special events.

■ Brands

Dayton Hudson department stores

Ad agency: Pidgin Productions, Minneapolis. Gary Jensen, pres; Kate Stanford, vp.

Corp media buying

Ad agency: Haworth Group, Minneapolis. Dale Haworth, pres; Claude Steven, exec vp.

■ Division

Mervyn's
Hayward, Calif.

■ Marketing personnel

Susan Sprunk, vp-sales promo; Pat Holt, dir-creative adv; Ruth Lindley, dir-media planning & operations.

■ Brands

Mervyns's

Ad agency: Cohen & Johnson, Los Angeles. Howie Cohen, chmn-creative dir; Mark Johnson, pres.

■ Division

Target Stores
Minneapolis

■ Marketing personnel

John Pellegrene, sr vp-mktg; Robert Thacker, vp-mktg.

■ Brands

Target Stores

Ad agency: Chuck Ruhr Advertising, Minneapolis. Chuck Ruhr, pres.

Top 25 network radio advertisers

Rank	Advertiser	Network radio spending 1989	1988	% chg	Total U.S. ad spending 1989	1988	Network radio as % of total 1989	1988
1	**Sears, Roebuck & Co.**	$71.0	$67.6	5.0	$1,432.1	$1,031.4	5.0	6.6
2	**General Motors Corp.**	35.3	38.3	(7.7)	1,363.8	1,290.6	2.6	3.0
3	**Procter & Gamble Co.**	24.2	26.2	(7.6)	1,779.3	1,655.8	1.4	1.6
4	**AT&T Co.**	19.8	12.3	60.5	567.7	547.1	3.5	2.3
5	**U.S. Government**	17.8	11.8	50.9	309.5	294.3	5.7	4.0
6	**City Investing Co.**	17.4	11.5	50.9	NA	NA	NA	NA
7	**Cotter & Co.**	16.0	18.3	(12.5)	NA	NA	NA	NA
8	**Warner-Lambert Co.**	14.3	16.9	(15.2)	585.9	605.6	2.4	2.8
9	**Campbell Soup Co.**	14.0	18.6	(24.8)	196.7	194.6	7.1	9.5
10	**K mart Corp.**	13.6	11.8	15.2	561.4	631.7	2.4	1.9
11	**Chrysler Corp.**	13.3	11.2	18.8	532.5	476.4	2.5	2.4
12	**J.C. Penney Co.**	11.9	5.0	136.9	407.5	394.8	2.9	1.3
13	**Bayer AG**	11.6	18.7	(38.2)	112.0	126.6	10.3	14.8
14	**Ford Motor Co.**	11.2	12.0	(7.2)	602.1	565.2	1.9	2.1
15	**Black & Decker Corp.**	9.9	7.5	32.8	NA	NA	NA	NA
16	**Hershey Foods Corp.**	9.2	6.0	54.3	288.2	294.6	3.2	2.0
17	**Philip Morris Cos.**	8.8	8.7	0.9	2,072.0	2,028.4	0.4	0.4
18	**Volkswagen AG**	8.3	1.7	375.8	131.9	140.4	6.3	1.2
19	**Nestle SA**	8.1	5.7	43.2	608.4	552.8	1.3	1.0
20	**Schering-Plough Corp.**	7.8	9.2	(14.8)	150.2	178.6	5.2	5.1
21	**Anheuser-Busch Cos.**	7.7	15.4	(50.1)	591.5	645.9	1.3	2.4
22	**State Farm Mutual Auto Insurance**	7.4	5.8	26.8	NA	NA	NA	NA
23	**Dow Jones & Co.**	6.92	10.2	(32.3)	NA	NA	NA	NA
24	**National Livestock & Meat Board**	6.89	3.6	89.1	NA	NA	NA	NA
25	**Eastman Kodak Co.**	6.8	4.7	43.9	718.8	732.2	0.9	0.6

Note: Dollars are in millions. **Source:** LNA/Arbitron. See Page 2 for methodology and other source information.

AA chart: Kevin Brown

RANK: 95

Delta Air Lines

Atlanta
Ad spending: **$116.0** million

■ U.S. ad spending ($ in thousands)

By media	1989	1988	% chg
Magazine	3.125	589	430.3
Sunday magazine	12	28	(58.0)
Newspaper	28.471	25.325	12.4
Outdoor	1.659	1.329	24.9
Network TV	29.295	23.143	26.6
Spot TV	4.126	6.617	(37.6)
Syndicated TV	17	127	(87.0)
Cable TV networks	1.973	1.602	23.2
Spot radio	18.283	19.948	(8.3)
Measured media	86.959	78.707	10.5
Unmeasured	29.000	26.200	10.7
Total	115.959	104.907	10.5
By top brands	**1989**	**1988**	**% chg**
Delta Air Lines	68.640	58.748	16.8

■ Sales & earnings ($ in millions)

Worldwide	1990	1989	% chg
Sales	8.089	6.915	17.0
Earnings	461	307	50.2
Division sales	**1990**	**1989**	**% chg**
Passenger	7.580	6.443	17.6
Cargo	394	350	12.5
Other	116	122	(5.2)

■ Notes: Fiscal year ended June 30, 1990

■ Annual review

Delta Air Lines took an important step in becoming a truly national carrier by inaugurating transcontinental service in June. The nation's No. 3 carrier also expanded its presence on the West Coast after the 1987 merger with Western Airlines.

"We see a lot of growth out of Los Angeles," said Judy Jordan, Delta assistant VP-advertising and sales promotion. "Offering transcontinental service will go a long way in reinforcing our position that we're a major airline."

The carrier used this new Newark-to-Los Angeles nonstop service to launch its Person-to-Person business-class program in late May. A multimedia ad campaign from BBDO, Atlanta, touted inflight amenities such as complimentary champagne, silver-tray service in first class, free newspapers and multicourse meals.

Delta is developing expanded terminal facilities in Atlanta, Dallas/Fort Worth, Cincinnati, Orlando, Portland and Salt Lake City. The largest project is in Orlando which will include six international arrival gates.

Dovetailing with domestic system growth is a recent regional marketing strategy to supplement the national program. Marketing pushes to promote new and existing service at important hubs got under way in 1990.

Ad spending is up about 20% this year, influenced by a network buy on the Super Bowl broadcast that showcased new creative. Last year, Delta's media spending reflected its growing presence as a national airline as network TV more than picked up the decline in spot TV spending, and consumer magazines became a major medium for the airline with spending of $3.1 million.

For the first seven months of 1990, Delta slipped to a 13.2% share of the total domestic market (in revenue passenger miles) from 14.4%. Analysts attributed Delta's 1989 share gains to Eastern Airlines' bankruptcy filing, a temporary boon to Delta and others.

Still, Delta remains a solid third to American Airlines at 16.9% and United Airlines at 16.6%, according to PaineWebber.

The airline was taken by surprise by the August departure of Hollis L. Harris, president-coo, who was named Continental Airlines' new chairman. Mr. Harris had been with Delta for 36 years.

Delta Chairman-CEO Ronald Allen assumed Mr. Harris' responsibilities and the added title of president. At the same time, W. Whitley Hawkins was promoted to exec VP-marketing & stations from senior VP-marketing.

■ Headquarters

Delta Air Lines
Hartsfield Intl Airport
Atlanta, Ga. 30320
(404) 765-2600

■ Corporate personnel

Ronald W. Allen, chmn-pres-ceo.

■ Marketing personnel

W. Whitley Hawkins, exec vp-mktg & stations; R.W. (Bob) Coggin, vp-mktg devel; Al H. Kolakowski, vp-sales; Harold Achtziger, vp-intl; Marcey McCann, vp-reservations sales; Judy Jordan, asst vp-adv & sales promo; Matt Guilfoyle, dir-consumer mktg; Harry Dunham, dir-industry mktg; Russ Gariota, dir-field mktg; Sandy Rowan, mgr-adv; Kathy Field, staff mgr-adv & promotion; Jon Proctor, system mgr-promotion.

■ Brands

Delta Air Lines

Ad agency: BBDO, Atlanta. Don Mitchum, pres-ceo; Jack Walz, exec vp-worldwide acct dir; Jim Garrison, sr vp-mgmt super, domestic; Mike DiPrima, Sandra Ryder, vps-acct supers; Marina Costarides, Eve Ullery, Diane Richardson, acct execs; Peter Shelton, sr vp-mgmt super, intl; Chris Kean, vp-acct super-intl; Tim Mapes, sr acct exec-intl; Dwain Thomas, acct exec-intl.

RANK: 33

Walt Disney Co.

Burbank, Calif.
Ad spending: **$338.7** million

■ U.S. ad spending ($ in thousands)

By media	1989	1988	% chg
Magazine	22.654	24.209	(6.4)
Sunday magazine	16	597	(97.4)
Newspaper	24.628	23.967	2.8
Outdoor	313	543	(42.3)
Network TV	43.239	34.179	26.5
Spot TV	66.835	62.955	6.2
Syndicated TV	9.144	3.565	156.5
Cable TV networks	3.044	2.351	29.5
Network radio	275	687	(60.0)
Spot radio	8.035	7.137	12.6
Measured media	178.182	160.188	11.2
Unmeasured	160.500	144.300	11.2
Total	338.682	304.488	11.2
By top brands	**1989**	**1988**	**% chg**
Touchstone films	56.686	51.222	10.7
Walt Disney World resort	47.547	35.954	32.2
Walt Disney Productions movies	18.440	11.890	55.1
Disneyland amusement park	14.727	16.398	(10.2)
Buena Vista film distributors	10.505	0	NA
Touchstone home video	7.053	4.889	44.3
Walt Disney home video	6.051	7.866	(23.1)
Disney Channel cable TV	4.395	5.265	(16.5)
KHJ TV station	2.909	3.202	(9.2)

■ Sales & earnings ($ in millions)

Worldwide	1989	1988	% chg
Sales	4.594	3.438	33.6
Earnings	703	522	34.7
Division sales	**1989**	**1988**	**% chg**
Theme parks, resorts	2.585	2.042	26.6
Filmed entertainment	1.588	1.149	38.1
Consumer products	411	247	66.5

■ Annual review

Walt Disney Co. expanded the boundaries of its communications kingdom in 1989 and 1990, launching a second record label, a third motion picture banner, a fast-food restaurant and a new children's magazine.

But with the rising cost of movie production and the pervasiveness of Disney characters, observers expect Disney's growth to slow in the early 1990s. That follows a period of explosive growth that began when Michael Eisner took the Disney helm in 1984.

Disney looked to offset its marketing costs by lining up cross-promotions with its films, home video releases, syndicated TV product, theme parks and consumer products.

On a corporate level, Disney this January signed a 15-year worldwide marketing agreement with Coca-Cola Co. giving Coke first rights at negotiating joint promos in several categories. Disney also linked with Nestle, allowing the marketer to create branded food products and promotional packages in Europe and the U.S.S.R.

Other major cross-promotions linked the theatrical release of "The Little Mermaid" with McDonald's Corp., the "Dick Tracy" film with McDonald's and Quaker Oats, the home video release of "Peter Pan" with Nabisco Brands crackers and the syndicated "Disney Afternoon" with Kellogg Co. and McDonald's.

The "Disney Afternoon" cross-promo is part of a new brand-management approach at Disney's Buena Vista Television, under which the syndicator will buy consumer media and design consumer promotions for its syndicated shows. Traditionally, syndicators have furnished on-air promotion packages to stations and left it to stations to market the shows to viewers.

Also in conjunction with the "Disney Afternoon," Disney will launch in October *Disney Adventures*, its first ma[illegible] consumer magazine.

Disney's share of the record $5.02 million U.S. and Canadian box office fell to 13.9% in 1989, from 19.4%, making it the No. 4 film studio in box office draw. Nevertheless, Disney had a solid year theatrically by counterprogramming other studios' typical summer action blockbusters with "Honey, I Shrunk the Kids," "Dead Poets Society" and "Turner and Hooch," and by marketing its holiday animated film, "The Little Mermaid," to adults as well as children.

Disney supported its 18 films (the same number as in '88) with $85.6 million in media in 1989, up 31%. Seven films received over $5 million in media backing, led by "Dead Poets" with $8.7 million. Network and spot TV pulled the dominant share of ad dollars for film.

In the first half of this year, Disney rebounded with an 18.4% share, a surge mainly due to the surprise hit and top film of the year at presstime, Touchstone Pictures' "Pretty Woman" ($167 million gross receipts) and Touchstone's comic book action film "Dick Tracy" ($103 million).

The first film from Disney's Hollywood Pictures unit, "Arachnophobia," opened in July and by mid-August had taken in a respectable $45 million.

Disney in early 1990 used its muscle to ban paid screen ads before movies distributed under the Disney, Touchstone and Hollywood Pictures banners. The major U.S. theater chains are complying with the ban.

Measured ad spending in 1989 for Disney's theme parks, hotels and resorts increased only 15% to $62.9 million, after a 45% leap in 1988, despite the opening in May 1989 of its third Florida attraction, Disney-MGM Studios.

In May 1990, MCA Recreation Services opened Universal Studios Florida, just 12 miles down the highway from the Disney complex. Operational problems at the MCA park made it little competition for Disney-MGM studios, despite the fact that it is twice as large as Disney-MGM and by many reports, twice as entertaining. Disney plans major theme park and real estate expansions in both southern California and Orlando.

Disney Consumer Products, once a sleepy division, has opened Mickey's Kitchen, a prototype restaurant next to a Disney Store in Montclair, Calif. It's also expanding the Disney Store chain to 50 stores, with 100 stores planned by the end of 1991.

Walt Disney Records formed a live artists division and in 1990 released its first recording "Minnie 'n Me," accompanied by a push for Minnie Mouse licensed merchandise. Disney also formed Hollywood Records, a mainstream record label.

■ Headquarters

Walt Disney Co.
500 S. Buena Vista St.
Burbank, Calif. 91521
(818) 560-1000

■ Corporate personnel

Michael Eisner, chmn-ceo; Frank Wells, pres-coo.

■ Marketing personnel

Walt Disney Studios: Jeffrey Katzenberg, chmn; Rich Frank, pres; Bob Levin, pres-worldwide mktg; Robert Jahn, sr vp-creative svcs; Gary Kalkin, sr vp-domestic mktg; Bobbi Blair, sr vp-media; Hy Levine, vp-print adv; Ed Pine, vp-publicity & promo. Buena Vista Television: Bob Jacquemin, pres; Carole Black, sr vp-mktg; Rick Haskins, vp-mktg. Buena Vista Home Video: Bill Mechanic, pres; Ann Daly, sr vp-mktg; Mary Kincaid, vp-adv. Disney Consumer Prods: Bo Boyd, pres; Stephen McBeth, exec vp-U.S. & Canada; Paul Pressler, sr vp-licensing. Walt Disney Attractions: Richard Nunis, pres; Tom Elrod, sr vp-mktg. The Disney Channel: John F. Cooke, pres; Tom Wszalek, vp-consumer mktg.

■ Brands

Walt Disney Studios, Buena Vista Television, Buena Vista Home Video-media buying, Walt Disney Attractions, The Disney Channel-media buying

Ad agency: Western International Media, Los Angeles. Dennis Holt, pres.

Buena Vista Home Video adv

Ad agency: DDB Needham Worldwide, Chicago. Vicki Mondae, grp acct dir.

Disney Consumer Products

Ad agency: Janklow Bender, New York. Bruce Janklow, pres.

The Disney Channel adv

Ad agency: Rubin Postaer & Associates, Los Angeles. Gerry Rubin, pres.

RANK: 67

Dow Chemical Co.

Midland, Mich.
Ad spending: **$160.2 million**

■ U.S. ad spending ($ in thousands)

By media	1989	1988	% chg
Magazine	19,264	17,309	11.3
Sunday magazine	3,885	379	925.1
Newspaper	112	319	(65.0)
Outdoor	41	82	(49.8)
Network TV	75,466	73,407	2.8
Spot TV	2,540	7,122	(64.3)
Syndicated TV	6,186	3,288	88.2
Cable TV networks	7,607	5,766	31.9
Network radio	2,619	2,154	21.6
Spot radio	1,524	1,828	(16.6)
Measured media	119,245	111,653	6.8
Unmeasured	41,000	38,400	6.8
Total	160,245	150,053	6.8

By top brands	1989	1988	% chg
Ziploc food storage bags	18,888	17,508	7.9
Marion Merrell Dow pharmaceuticals	13,495	14,420	(6.4)
Texize cleaning products	12,501	12,891	(3.0)
Dow Chemical	9,988	15,652	(36.2)
Dow cleaning products	6,633	4,924	34.7
Lakeside Pharmaceuticals	6,065	4,526	34.0
Freezloc wrap	5,662	0	NA
Gaviscon antacid	5,277	5,773	(8.6)
Perma Soft shampoos	5,104	79	NA
Texize cleaners	4,937	4,194	17.7

■ Sales & earnings ($ in millions)

Worldwide	1989	1988	% chg
Sales	17,600	16,682	5.5
Earnings	2,487	2,398	3.7
U.S.	**1989**	**1988**	**% chg**
Sales	8,084	7,497	7.8
Operating income	1,876	1,651	13.6
Division sales	**1989**	**1988**	**% chg**
Chemicals	5,407	5,190	4.2
Plastics	6,994	6,938	0.8
Hydro-carbons	1,778	1,502	18.4
Consumer specialties	3,407	3,029	12.5

■ Annual review

Dow Chemical Co. expanded deeper into consumer markets in 1989 as it entered joint ventures with two huge pharmaceutical companies: Eli Lilly & Co. and Marion Laboratories.

The alliances will join the DowBrands unit in the consumer specialties group, ballooning the group's total sales to more than $5 billion in 1990, up 47%. DowBrands, meanwhile, spent heavily, launching new products that virtually created a new home cleaning category.

DowElanco, formed in April 1989, represented the merger of Dow and Lilly's agri-chemical businesses. The resulting company, to be headquartered in Indianapolis, will have sales of $1.5 billion in 1990, ranking it No. 1 in the $5 billion U.S. agri-chemicals business and sixth in the world. Dow owns 60% of the venture.

In July 1989 Marion Merrell Dow was formed when Dow merged its Merrell Dow division with Marion Laboratories. The venture had $1.4 billion in sales in 1989, ranking it 13th among U.S. pharmaceutical marketers. Dow, which took 67% of the venture, expects $2.2 billion in sales in 1990. The new company is a separate publicly held company.

DowBrands boosted its home cleaning product advertising by 53% to $45.2 million with some $19.3 million to roll out Spiffits, dispenser-packed disposable cleaning towels in five varieties: bathroom, glass, multipurpose, soft scouring and furniture.

Spiffits proved a double-threat success. It created a new household cleaner segment now worth an estimated $100 million. It inspired its DowBrands corporate cousins at Fantastik to create their new Fantastik S'wipes multipurpose moist cleaning towels, which debuted this May with a national print and couponing campaign from Henderson Advertising, Greenville, S.C.

DowBrands' second product area, food care, rose to $28.5 million in ad spending, up 13.7%. Of that, $5.7 million was for Freezloc heavy-duty plastic freezer wrap with Cling Strip, introduced October 1989. Network TV got $5.1 million of the total. Saran Wrap drew $4.4 million in media, down 29%, while Ziploc bags got $18.4 million, even with the prior year.

The consumer division's personal care line dropped $7.5 million in advertising as support dropped for the Textra care line which drew $5.2 million in 1988. Perma Soft brand of conditioners, cleansers and gels continued to be the big ad draw, with $4.6 million, down 34%, according to LNA/Arbitron.

Pharmaceutical ad support at Dow was down 7.9% to $24.8 million. Marion Laboratories' 1989 totals would have doubled pharmaceutical ad support had the Marion Merrell Dow marriage been consummated by the end of the year.

Receiving a 22% cut to $1.6 million was Cepacol mouthwash, No. 5 among the top U.S. brands with a 4.5% market share. Citrucel, bulk laxative, the orange-flavored methyl-cellulose competitor to Metamucil, dropped 54% in ad spending to $1.6 million.

The former Lakeside Pharmaceutical unit of Merrell Dow Pharmaceuticals climbed 14.7% in 1989 ad support to $6 million. Nicorette smoking cessation chewing gum, in Lakeside's product array prior to the Marion Merrell Dow linkup, got a year's ad budget of about $6 million in 1989 with the kickoff of a new print program that promoted the prescription gum by name, contrary to the standard practice for ethical drugs.

The "Dow lets you do great things" corporate image campaign that received $14 million in 1988 support, dropped to $7.6 milion, including network TV at $6.5 million. D'Arcy Masius Benton & Bowles, Bloomfield Hills, Mich., continues creating the series, now in three versions: "Baseball," touting recycling—a strong theme now for plastics-maker Dow, "Corporate Angel," showing the role of a corporate jet in aiding the ill, and "Discovery," depicting a children's learning museum.

The creation of Marion Merrell Dow, amidst numerous other mega-pharmaceutical combinations industrywide, involves changes in structure and shifts of product lines: Lakeside Pharmaceuticals' name was changed to Marion Merrell Dow Consumer Products Division. While keeping its popular Cepacol, Novahistine and other OTC lines, it lost Nicorette and other prescription lines.

In another company change, DowBrands' Home Care Products Division, once Texize Inc., relocated in October 1989 from its original Greenville, S.C., base to DowBrands' headquarters in Indianapolis, where it joined the Food Care Products Division to form the new Household Products Division of DowBrands.

Agency changes include DowElanco's dropping Vitt Media, New York, for media planning and adding Carmichael-Lynch, Kansas City, Mo., for its professional turf and ornamental advertising.

■ Headquarters

Dow Chemical Co.
2030 Willard H. Dow Center
Midland, Mich. 48674
(517) 636-1000

■ Corporate personnel

Paul F. Oreffice, chmn; Frank R. Popoff, pres-ceo.

■ Division

Dow Chemical USA
Midland, Mich.

■ Corporate personnel

Keith R. McKennon, pres; William S. Stavropoulos, grp vp-plastics & hydrocarbons; Enrique J. Sosa, grp vp-chemical & performance prods; Thomas K. Smith, vp-government & public affairs; Richard K. Long, dir-corp comms; Richard F. Dalton, mgr-corp adv.

■ Brands

Corp programs

Ad agency: D'Arcy Masius Benton & Bowles, Bloomfield Hills, Mich. H.J. Hogan, sr vp-mgmt super; W.L. Gaer, vp-acct super.

■ Headquarters

Chemicals & Performance Products
Midland, Mich.

■ Marketing personnel

John W. Tysse, vp-sales & mktg; Ron S. Ihrig, dir mktg-performance prods, latex, separation systems & new ventures; Ron E. Taylor, dir-mktg, chemicals & metals; R.N. "Bo" Miller, grp mgr-comms; Joy B. Hutchison, comms mgr-chemicals & metals; Terry F. McNeill, comms mgr-performance prods; Jean Aukerman, comms mgr-separation systems.

■ Brands

Chemicals & metals

Ad agency: Hoffman, York & Compton, Milwaukee. John Murphy, sr vp-acct grp super; Reed Allen, sr vp-creative dir.

Public relations adv: chemicals & metals, performance products, Latex products

Ad agency: Gibbs & Soell, New York. Cos Malozzi, pres; Richard Kerrigan, acct super.

Latex products

Ad agency: Weller, Cook & Misamore Advertising, Grand Rapids, Mich. Robert Cook, vp.

Performance products, Separation systems, new ventures

Ad agency: Alexander Marketing Services, Grand Rapids, Mich. Robert Milroy, pres-acct grp super; Richard Hill, vp-acct super; Christopher Beaudon, acct super.

■ Division

Dow Plastics
Midland, Mich.

■ Marketing personnel

Lee A. Schobe, vp-sales & mktg; Mike Butcher, dir-comms; Mary Beth Curtiss, public comms mgr; Rick Proskow, Dan Showalter, grp comms mgrs.

■ Brands

Dow Plastics products

Ad agency: Anderson & Lembke, Stamford, Conn. Mike Romans, vp-client business mgr.

Ad agency: Alexander Marketing Services, Grand Rapids, Mich. Robert Milroy, pres.

Ad agency: Jayme Organization, Cleveland. Lawrence Cavanaugh, exec vp.

Dow Plastics products & public relations adv

Ad agency: Sefton Associates, Grand Rapids, Mich. Gary Petertyl, sr vp.

Public relations adv

Ad agency: Gibbs & Soell, Chicago. Guy Tichy, vp.

Ad agency: Proconsul, Cleveland. Judy Fenninger, acct exec.

■ Division

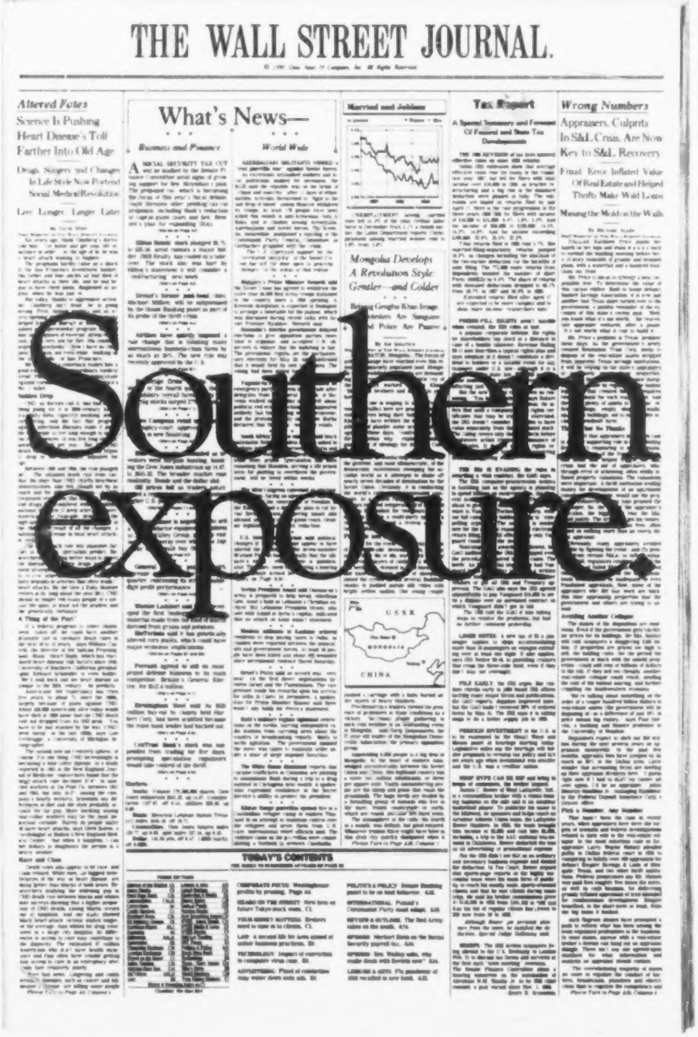
DowElanco agricultural products
Indianapolis, Ind.

■ Marketing personnel

J.L. Hagaman, pres; W.W. Dieckamp, mgr-mktg comms; E.N. German, mgr-mktg sales support svcs; Bill Culpepper, commercial dir; Dick Holzschu, gm; Roger Foulks, mgr-mktg comms & research.

■ Brands

Stinger, Curtail, Tordon, professional pest control, vegetation management, retail turf & or-


THE WALL STREET JOURNAL.
Altered Fates
Science Is Pushing Heart Disease's Toll Farther Into Old Age
What's News—
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Southern exposure.

The Southeast advertising region of The Wall Street Journal delivers subscribers with an average household income of $134,700. 79% with HHI $50,000 or more. 85% in top or middle management positions. At rates competitive with the Atlanta Constitution, Miami Herald, Orlando Sentinel, Tampa Tribune or the Charlotte Observer. For details, call your Journal representative.

Source: WSJ 1988 Worldwide Subscriber Study
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Top 25 spot radio advertisers

Rank	Advertiser	Spot radio spending			Total U.S. ad spending		Spot radio as % of total	
		1989	1988	% chg	1989	1988	1989	1988
1	**Philip Morris Cos.**	$42.7	$40.1	6.5	$2,072.0	$2,028.4	2.1	2.0
2	**Anheuser-Busch Cos.**	42.1	42.7	(1.5)	591.5	645.9	7.1	6.6
3	**Chrysler Corp.**	40.3	19.4	107.4	532.5	476.4	7.6	4.1
4	**General Motors Corp.**	39.5	40.2	(1.8)	1,363.8	1,290.6	2.9	3.1
5	**Sears, Roebuck & Co.**	36.1	25.4	41.8	1,432.1	1,031.4	2.5	2.5
6	**PepsiCo Inc.**	33.4	28.2	18.4	786.1	710.9	4.2	4.0
7	**Southland Corp.**	33.2	22.1	50.3	NA	NA	NA	NA
8	**Grand Metropolitan PLC**	26.6	21.1	26.0	823.3	754.6	3.2	2.8
9	**News Corp.**	24.8	13.4	85.3	128.9	130.2	19.2	10.3
10	**Delta Air Lines**	18.3	19.9	(8.3)	116.0	104.9	15.8	19.0
11	**Honda Motor Co.**	17.2	11.5	48.8	298.8	243.3	5.7	4.7
12	**Montgomery Ward & Co.**	16.4	10.2	60.0	213.6	154.0	7.7	6.6
13	**Melville Corp.**	15.3	14.6	4.4	NA	NA	NA	NA
14	**Toyota Motor Corp.**	15.2	6.6	131.9	417.6	273.0	3.6	2.4
15	**Procter & Gamble Co.**	14.3	16.9	(15.6)	1,779.3	1,655.8	0.8	1.0
16	**Coca-Cola Co.**	13.9	12.8	8.6	385.3	376.7	3.6	3.4
17	**AMR Corp.**	13.8	10.7	29.5	131.0	120.5	10.5	8.8
18	**Ford Motor Co.**	13.4	11.8	13.2	602.1	565.2	2.2	2.1
19	**Citicorp**	13.1	2.6	406.8	146.3	119.1	9.0	2.2
20	**Adolph Coors Co.**	12.3	15.4	(20.4)	201.0	200.8	6.1	7.7
21	**BellSouth Corp.**	11.3	15.8	(28.6)	NA	NA	NA	NA
22	**Hyundai Group**	11.2	8.5	32.9	212.8	204.8	5.3	4.1
23	**U.S. West**	10.84	9.5	13.9	NA	NA	NA	NA
24	**K mart Corp.**	10.81	6.6	63.9	561.4	631.7	1.9	1.0
25	**Chevron Corp.**	10.5	8.1	29.2	NA	NA	NA	NA

Note: Dollars are in millions. **Source:** Radio Expenditure Reports. See Page 2 for methodology and other source information. **AA chart:** Kevin Brown

Ad agency: Bader Rutter & Associates, Milwaukee. Miller Hogan, vp-acct super, Gene Hintze, Angela Bendorf, Mark Bjorgo, Julia White, acct execs-pest control, vegetation mgmt & retail turf. Greg Nickerson, acct super-pest control, vegetation mgmt & retail turf.

Lorsban, Treflan, Sonolan, N-Serve, Stinger (corn), Lontrel, Tordon, Curtail, Surflan, Telone, Paarlan, Rubigan

Ad agency: Creswell, Munsell, Fultz & Zirbel, Cedar Rapids, Iowa. M. White, sr vp-mgmt super.

Professional turf & ornamental business

Ad agency: Carmichael Lynch, Kansas City, Mo. Jeff Morris, acct exec; Sam Meers, acct super.

■ Division

Prescription Products Division

■ Marketing personnel

David D. Roche, pres; John R. Julian, vp-mktg; John Burton, dir-adv.

■ Brands

Carafate

Ad agency: McCann Healthcare, Chicago. Mike Perry, vp-grp acct super.

Cardizem, Cardizem SR

Ad agency: Rolf Werner Rosenthal, New York. John Clay, grp vp; Joe Holden, acct super-Cardizem SR.

Seldane

Ad agency: Medicus Intercon, New York. Jennifer Greenblatt, vp-acct super; Carol De Losa, acct exec.

Nicorette

Ad agency: Rubin, Reed, Noto, & Ehrenthal, New York. Francis Gace, mgmt super.

■ Divison

Marrion Merrell Dow
Consumer Products Division

■ Marketing personnel: John Dishaw, pres; George Quesnelle, dir-mktg; Gregory Westerbeck, adv dir.

■ Brands

Cepacol Gold, Cepacol Mint, Cepacol-Cepastat Lozenges, Citrucel, Gaviscon, Novahistine

Ad agency: Rubin, Reed, Noto, & Ehrenthal, New York. Herb Ehrenthal, acct super.

Os-Cal Throat Discs

Ad agency: In-house, Cincinnati. Gregory Westerbeck, adv dir.

■ Division

DowBrands
Household Products Division

■ Marketing personnel

Robert M. Baughman, pres-ceo, Dow Brands; Jim Holtshouse, vp-gm; Peter Wade, vp-mktg; Linda Esposito, grp brand mgr-Ziploc bags; Eric Steinhouse, grp brand mgr-wraps; John Borgo, grp prod mgr-laundry prods; Mike Cooper, grp brand mgr.

■ Brands

Food Care Products

Ad agency: Della Femina, McNamee/WCRS, New York. Larry Pollare, vp-mgmt super.

Cleaning products

Ad agency: Henderson Advertising, Greenville, S.C. Mike Zeller, sr vp-grp acct dir.

■ Division

Personal Care Products

■ Marketing personnel

Jack Soranno, vp-gm; Nina Diamond, vp-mktg.

■ Brands

Personal Care Products

Ad agency: Campbell-Mithun-Esty, Minneapolis. Richard Rosenberg, sr vp-mgmt super.

RANK: 100

Dr Pepper/Seven Up Cos.

Dallas
Ad spending: **$104.3** million

■ U.S. ad spending ($ in thousands)

By media	1989	1988	% chg
Magazine	136	977	(86.1)
Newspaper	381	500	(23.9)
Outdoor	202	532	(62.0)
Network TV	41,502	35,035	18.5
Spot TV	9,915	29,108	(65.9)
Syndicated TV	9,475	4,949	91.5
Cable TV networks	1,942	1,592	22.0
Network radio	484	414	16.8
Spot radio	3,413	5,101	(33.1)
Measured media	67,449	78,207	(13.8)
Unmeasured	36,900	42,800	(13.8)
Total	104,349	121,007	(13.8)

By top brands	1989	1988	% chg
7UP soft drinks	27,237	27,255	(0.1)
Dr Pepper soft drinks	17,826	14,566	22.4
Dr Pepper sugar free soft drinks	9,410	9,705	(3.0)
Diet 7UP soft drinks	5,168	7,035	(26.5)
Cherry 7UP soft drinks	4,396	14,546	(69.8)

■ Sales & earnings ($ in millions)

Worldwide	1989	1988	% chg
Sales	514	311	65.3
Earnings	(42)	(44)	NA

Division sales	1989	1988	% chg
Dr Pepper	267	244	9.2
Seven-Up	247	266	(7.2)

■ Annual review

Dr Pepper/Seven-Up Cos. is chipping away at the cola segment by positioning its products as taste alternatives and, through separate marketing efforts, the company is placing greater emphasis on its diet products.

The Dallas-based company commands about a 10% share of the total soft drink market. Its Dr Pepper products rose 0.2 share points to 5.4% of market in 1989. By contrast, Seven-Up products slipped 0.4 share points to 4.1%, according to John Maxwell, analyst at Wheat, First Securities. The two companies operate independently of each other.

Share movement by the two companies also tracked ad spending movement in 1989. Media spending for Dr Pepper brand rose 10% to $27.2 million, while Seven-Up brand's media total hit $37 million, down 24.9%, according to LNA/Arbitron.

Seven-Up's return to a core brand focus this year has helped the lemon-lime leader stabilize its market share, ending a six-year downward spiral. Among key developments has been the relaunch of Diet 7UP that includes a taste reformulation and ad theme, "Break the ice."

To capitalize on the popularity of diet drinks, Seven-Up plans to boost its 1991 media plan by 47% over 1990 media buys, said Russ Klein, Seven-Up senior VP-marketing. A series of five humorous commercials in 1991 will invite consumers to rediscover Diet 7UP.

For brand 7UP advertising, the company will continue to rely on its animated character called "Spot." Created from the red dot on the 7UP logo, Spot will be the centerpiece of the brand's entire ad effort including promotions. Licensing efforts, most notably to Virgin Mastertronic for a Nintendo videogame in the summer of 1990, are helping to build 7UP brand awareness among virtually all age groups.

Seven-Up next year hopes to revive Cherry 7UP, a huge success in 1987 when it was introduced. It quickly captured about a 2% share of the total market but by 1989 its share had slipped to 0.2%. The company is making local funds available to bottlers to tap opportunities by market.

Regular Dr Pepper, the No. 5 soft drink, is the leading non-cola with a 4.4% market share. Dr Pepper Co. is implementing a strategy of targeting light-to-medium Dr Pepper users to boost overall consumption.

"We have positioned Dr Pepper as the product that makes good things happen," said John Clarke, Dr Pepper senior VP-marketing. The company is continuing its ad theme, "Just what the doctor ordered."

The company last year changed its Diet Dr Pepper advertising by giving up comedienne Judy Tenuta as spokeswoman but keeping the theme "Like nothin' else."

Like its sister company Seven-Up, Dr Pepper plans aggressive growth for Diet Dr Pepper. "For the next two to three years, our goal is to lead the non-cola charge in the diet segment," said Mr. Clarke. "We want to establish ourselves as the No. 1 diet non-cola."

■ Headquarters

Dr Pepper/Seven Up Cos.
8144 Walnut Hill Ln.
Dallas, Texas 75231-8144
(214) 360-7000

■ Marketing personnel

John Albers, pres-ceo (corp), Seven-Up ceo-coo; True Knowles, Dr Pepper exec vp-coo; John Clarke, Dr Pepper sr vp-mktg; Russ Klein, Seven-Up sr vp-mktg.

■ Brands

Dr Pepper

Ad agency: Young & Rubicam, New York. John Swan, mgmt super; Charles Hurdman, John O'Brien, acct supers.

Seven-Up

Ad agency: Leo Burnett USA, Chicago. John Miller, exec vp; Jack Woods, vp-acct dir; Sue Matson, Peter Boczar, acct supers.

RANK: 78

E.I. du Pont de Nemours & Co.

Wilmington, Del.
Ad spending: **$133.2** million

■ U.S. ad spending ($ in thousands)

By media	1989	1988	% chg
Magazine	40,880	34,676	17.9
Sunday magazine	2,221	1,757	26.4
Newspaper	43	521	(93.1)
Outdoor	82	74	10.8
Network TV	27,002	31,418	(14.1)
Spot TV	13,220	11,864	11.4
Syndicated TV	649	203	220.4
Cable TV networks	1,741	1,105	57.6
Spot radio	3,157	2,718	16.1
Measured media	88,993	84,436	5.4
Unmeasured	44,200	41,900	5.5
Total	133,193	126,336	5.4

By top brands	1989	1988	% chg
Du Pont carpets	34,664	31,962	8.5
Du Pont fibers apparel	15,856	14,136	12.2
Du Pont coatings	15,447	15,180	1.8
Du Pont fabric fibers	6,292	8,214	(23.4)
Du Pont Corian surfacing materials	3,501	3,973	(11.9)
Du Pont Antron carpet fibers	2,060	399	417.0
Du Pont herbicide	1,926	1,525	26.3
Conoco gas & oil	1,890	3,106	(39.2)

■ Sales & earnings ($ in millions)

Worldwide	1989	1988	% chg
Sales	35,534	32,360	9.8
Earnings	2,480	2,190	13.2

U.S.	1989	1988	% chg
Sales	21,382	19,539	9.4
After tax op. income	1,985	1,607	23.5

Division sales	1989	1988	% chg
Industrial products	3,702	3,082	20.1
Fibers	5,966	5,465	9.2
Polymers	5,581	5,423	2.9
Petroleum	12,314	10,995	12.0
Coal	1,818	1,757	3.5
Diversified businesses	6,153	5,638	9.1

■ Annual review

Du Pont struck joint ventures in pharmaceuticals and paints, and began to phase out ozone-depleting chlorofluorocarbons (CFCs) and its Orlon fiber businesses in 1989.

The moves to discontinue its CFC and Orlon product lines, in particular, will be costly. Earnings were down for the first six months of this year because of costs associated with those phase-outs and with reduced market activity for its other apparel and carpet synthetic fibers.

Du Pont as in the past spent the lion's share of its media advertising on carpets, particularly Stainmaster. Of the $34.7 million (up 8.4%) in carpet spending, Stainmaster drew $32 million, same as in 1988 and mostly in network TV for both years. Corporate general promotion media spending hit $11.5 million, about the same as in 1988, and agricultural chemicals reached $3.1 million, up 107%.

Among Du Pont's fiber brand names, Teflon stain repellent drew $4.7 million, down 20%, and Lycra fibers got $4.3 million, down 8.5%. Du Pont provides heavy co-op spending for its fibers. Lycra, for example, is touted by such brand names as Maidenform bras and Fruit of the Loom underwear. Teflon is promoted in ads for home furnishing by Serta and Simmons bedding.

Du Pont continues to advertise Silverstone coating, supporting the brand with $950,000 in 1989, up 55%. The company basically provides maintenance spending for its brands like Silverstone once they catch hold in the market. In the mid-1980s when the coating was relatively new, Silverstone drew more than $9 million in media support as a tagline to ads for such cookware brands as Sunbeam and Regal.

Joint venture deals are being struck by a number of leading pharmaceutical companies to share the burden of research and development and marketing, a need that led to the agreement between Du Pont and Merck & Co. to created Du Pont-Merck Pharmaceuticals.

The venture, headquartered in Wilmington, merged Du Pont's blood pressure and congestive heart failure medications and Merck's Parkinson and blood-pressure preparations. The merger combines Du Pont's strong pharmaceutical network with Merck's huge research and international drug marketing structure. The unit will operate with a research staff of about 1,500, sales staff of 600 and R&D budget of about $230 million. It is projecting first-year sales of $700 million.

Du Pont's diagnostic, biotechnology systems and X-ray products, producing more than $1 billion in sales, are not included in the venture with Merck.

Merck earlier in 1989 struck a deal with Johnson & Johnson to develop and market OTC versions of Merck's ethical drugs.

Du Pont also entered into a joint venture with Japan's Kansai Point Co., the first such linkup here between American and Japanese paint producers. The venture will develop and market paints for Japanese auto and auto parts makers in the U.S., Mexico and Canada.

After 40 years of producing Orlon acrylic fiber, a prime yarn ingredient for socks, sweaters and other knit goods, Du Pont reported this June that it was leaving the business—though not the whole field of acrylonitrile production.

The company generated sales of $200 million from Orlon in 1989, a drop in Du Pont's fiber bucket that produced $6 billion in sales. Cotton and polyester competition had cut increasingly into profits from Orlon, its acrylic brand name.

Du Pont has never spent heavily to support Orlon in co-op advertising. The fiber drew only $127,000 in spending in 1989, all in consumer magazines, according to LNA/Arbitron. Burlington and Wigwam sock lines have been big Orlon users.

■ Headquarters

E.I. du Pont de Nemours & Co.
1007 Market St.
Wilmington, Del. 19898
(302) 774-1000

■ Corporate personnel

Edgar S. Woolard Jr., chmn; Elwood P. Blanchard, vice chmn.

■ Marketing personnel

R.E. Williams, mg dir-mktg comms; L.C. Tashjian, mg dir-public affairs, agricultural prods & corp adv; T.F. Hoffman, vp-pr, Consolidation Coal, Consol & Remington; Shel Vedlitz, mgr-adv & mktg, Conoco; H.E. Davis, dir-comms, polymer prods; J.M. Murray, dir-comms, imaging; R.W. Nightengale, dir-comms, fibers; P.G. Beyers, G.W. Hale, mgrs-mktg comms grp, medical; T.Q. Cressy, mgr-comms grp, automotive; M.J. Keating, mgr-comms grp, electronics; K.H. Forte, mgr-pub affairs, chemical & pigments-petrochemicals.

■ Brands

Polymer products

Ad agency: N W Ayer, New York. Theodore M. Regan, exec vp.

Corp adv, Chemicals & pigments, Fibers

Ad agency: BBDO, New York. Margaret Evans, sr vp.

Consol, electronics, imaging, polymer products, Phillips/Du Pont Optical (PDO), Remington

Ad agency: Ketchum Communications, New York, Pittsburgh & Philadelphia. Robert Kroyer, pres-Pittsburgh; Samuel Rand, pres-Philadelphia.

Conoco

Ad agency: Taylor, Brown, Smith & Perrault, Houston. Larry Brown, chmn.

Hotel du Pont

Ad agency: Reese, Tomases & Ellick, Wilmington, Del. Alan B. Poland, sr vp.

Agricultural products, Chemicals & pigments, Fibers

Ad agency: Rumrill-Hoyt, Rochester, N.Y. Richard D. Thomson, chmn-ceo.

Automotive products, Fibers, Imaging systems, Polymer products

Ad agency: Young & Rubicam, Detroit & New York. Dan Wagner, sr vp-mgmt super-Detroit; Philip M. Asche, sr vp-N.Y.

RANK: 8

Eastman Kodak Co.

Rochester, N.Y.
Ad spending: **$718.8** million

■ U.S. ad spending ($ in thousands)

By media	1989	1988	% chg
Magazine	45,647	33,392	36.7
Sunday magazine	3,916	3,988	(1.8)
Newspaper	1,059	1,380	(23.3)
Outdoor	429	557	(23.0)
Network TV	137,517	144,751	(5.0)
Spot TV	14,733	21,352	(31.0)
Syndicated TV	13,699	16,946	(19.2)
Cable TV networks	10,642	11,387	(6.5)
Network radio	6,797	4,725	43.9
Spot radio	1,499	1,826	(17.9)
Measured media	235,939	240,304	(1.8)
Unmeasured	482,900	491,900	(1.8)
Total	718,839	732,204	(1.8)

By top brands	1989	1988	% chg
Kodak cameras & accessories	72,175	61,823	16.7
Bayer aspirin	25,180	31,858	(21.0)
Lysol disinfectants	18,127	18,919	(4.2)
Kodak batteries	14,810	19,870	(25.5)
Thompson coatings	11,279	12,110	(6.9)
Lysol bathroom cleaners	8,751	8,425	3.9
Phillips Milk of Magnesia laxative	6,492	5,727	13.4
Lysol cleaners	6,099	7,956	(23.3)
Glass Mates cleaners	5,784	113	NA
Minwax wood fillers & finishes	5,747	5,985	(4.0)

■ Sales & earnings ($ in millions)

Worldwide	1989	1988	% chg
Sales	19,398	17,034	13.9
Earnings	529	1,397	(62.1)

U.S.	1989	1988	% chg
Sales	10,869	10,024	8.4
Operating earnings	785	1,851	(57.6)

Division sales	1989	1988	% chg
Imaging	6,998	6,642	5.4
Chemicals	3,522	3,129	12.8
Health	4,009	3,597	11.5
Information systems	4,200	3,937	6.7

■ Annual review

Eastman Kodak Co., which has been stumbling under the heavy debt incurred from its $5.1 billion acquisition of Sterling Drug in 1988, is starting to show signs of financial recovery.

Kay Whitmore, who in June replaced Colby Chandler as Kodak's chairman-CEO, said the brighter financial picture can be traced to "actions initiated in 1989 to sharpen our focus on the value-adding parts of the business."

The cost-cutting moves in 1989 included eliminating more than 4,500 employees worldwide, restructuring business operations and demanding its 28 advertising, promotion and public relations agencies be more cost-efficient.

The restructuring consolidated business operations into four core businesses: consumer imaging (photographic products and batteries), health (Sterling and Lehn & Fink), information systems (business products and electronic imaging products), and chemicals.

Kodak trimmed its overall ad budget by 1.8% as spot TV took the hardest hit, dropping 31% to $15 million. Kodak, which has said it will continue to trim any ad fat, reported its 1990 ad budget will be flat to slightly down.

Kodak this May launched a joint promotion with Walt Disney Co. for its Kodacolor Gold film that was backed by a major ad campaign. It had signed in 1989 a 15-year, multimillion-dollar deal with Disney to become the exclusive supplier of photographic products to Disney's theme parks.

That and other marketing efforts behind its film products hurt Polaroid's entry into the conventional film market with its OneFilm brand. Polaroid said extensive counterattacks by Kodak and, to a lesser extent, Fuji Photo Film USA, slowed OneFilm's entry.

Kodak has an estimated 80% of the U.S. conventional film market. Fuji has an estimated 11%, and Polaroid's OneFilm, less than 3%.

Yet, Polaroid appears committed to the brand and a fight on the film front should reheat again in 1991.

This fall Kodak will introduce a line of low-priced amateur 35mm cameras backed by an estimated $7 million ad campaign from Young & Rubicam, New York. Camera advertising claimed $9.5 million in media spending, up 23% from the prior year. J. Walter Thompson USA, New York, handles film. Film advertising in media grew by 22% to $45.6 million, virtually all new dollars coming in consumer magazines, up from $4.9 million to $12.9 million.

New products out of the consumer imaging division in 1989 and 1990 included line extensions to Kodak's popular Kodacolor Gold film line, new batteries, new single-use cameras and new professional films.

Kodak in 1990 also kept up its sponsorship deals, signing on with the Goodwill Games and CBS-TV as the exclusive film advertiser on the 1992 Winter Olympics telecast.

In its health group, Kodak's Sterling Drug unit, like other aspirin marketers, dropped efforts to promote aspirin as a second heart attack preventative and turned to pain relief themes. Bayer, from Sterling's Glenbrook Laboratories, was repositioned as the aspirin for "adult-size" headaches in an ad campaign in late 1989 featuring Robert Urich. Bayer drew $25.3 million in media, down 22% from 1988 when virtually all aspirin marketers boosted budgets to push second heart attack preventative claims. That claim turned out to address a limited market.

Glenbrook's leading products are Bayer, Phillip's Milk of Magnesia, which drew $6.5 million in measured media, up 10%, and Midol menstrual relief products, backed by $3.2 million in media, down 43%.

Sterling in 1989 switched advertising agencies for its Neo-Synephrine brand and other nasal products from N W Ayer to Slater Hanft Martin, both New York. Advertising for Neo-Synephrine dropped to less than $1 million from $3.8 million in 1988.

Lehn & Fink in 1989 added a "light scent" variation to its Lysol spray disinfectant and Lysol Bathroom Touch-Ups disinfectant cleaning wipes. Despite a 10.3% decline in Lysol brand media spending, it remained Lehn & Fink's heaviest supported brand at $33.2 million in measured media in 1989.

The unit also introduced Glass Mates, premoistened towelettes for cleaning shiny surfaces, backed by $5.8 million in media spending in network and spot TV.

L&F continued to put considerable media clout behind its do-it-yourself product lines, including Formby's wood care products, $2.3 million, down 28%, Minwax, $5.7 million, down 5% and Thompson water seal products, $11.3 million, down 7%.

With restructuring costs factored in, Kodak's net earnings in the second quarter 1990 were $304 million (restructuring resulted in a charge of $80 million against earnings) compared to $77 million for the prior-year period.

Still looming over the company are the damages it must pay Polaroid Corp. for infringing on Polaroid's instant photography patents in the early 1980s. Polaroid is seeking $14 billion in damages; Kodak is suggesting under $200 million. Industry observers estimate damages will run $1 billion to $2 billion.

■ **Headquarters**

Eastman Kodak Co.
343 State Street
Rochester, N.Y. 14650
(716) 724-4000

■ **Corporate personnel**

Kay R. Whitmore, chmn-ceo. Operating Business Groups & Commercial Systems Grp: Frank P. Strong Jr., grp vp-gm; Charles L. Trowbridge, vp-gm, copy prods div; Edward V. Ince, vp-gm, customer equipment svc div; C. Harold Gaffin, vp-gm, graphics imaging systems div; Frank D. Zaffino, vp-gm, apparatus div; John J. Powers, vp-gm, support operations. Health Grp: Leo J. Thomas, grp vp-gm; John R. Zeman, vp-gm, clinical prods div; Robert T. Hamilton, vp-gm, health sciences div; Louis P. Mattis, chmn-pres-ceo, Sterling Drug Inc.; Michael R. Gallagher, pres-Lehn & Fink Prods. Imaging Information Systems Grp: Lawrence J. Matteson, grp vp-gm; Edgar J. Greco, vp-gm, business imaging systems div; Gary H. Conners, vp-gm, federal systems div; Dennis M. DeLeo, vp-gm, image acquisition prods div; John P. White, vp-gm, integration & systems prods div. International Grp: Wilbur J. Prezzano, grp vp-gm; Edward P. Hoppe, vp-gm, Asian, African & Australasian region; John E. Riggs, vp-gm, European region; Albert L. Seig, vp-gm, Japanese region; Daniel A. Carp, vp-gm, Latin American region. Photographic Prods. Grp: William E. Fowble, grp vp-gm; Peter M. Palermo, vp-gm, consumer imaging div.; Robert C. Sharp, vp-gm, U.S. mktg & sales, consumer imaging div; Robert L. Smith, vp-asst gm, operations-consumer imaging div; Peter D. Fitzgerald, vp-gm, consumer svcs div; Richard T. Bourns, sr vp-gm, manufacturing & distribution; Robert H. Graulich, vp-gm, distribution; Kenneth O. Hoffman, vp-gm, manufacturing resources div; Ronald L. Heidke, vp-gm, Rochester sensitized prods manufacturing; Vernon A. Dyke, vp-gm, sensitized components manufacturing; Joerg D. Agin, vp-gm, motion picture & television prods div; Raymond H. DeMoulin, vp-gm, professional photography div; David J. Metz, sr vp-dir, comms & public affairs; Richard S. Bartlett, vp-dir, mktg comms.

■ **Brands**

Professional photography div, Motion picture-AV div, Electronic photography div, consumer products-sales promo, film-trade adv, camera-trade adv, photofinishing-trade adv, batteries-trade adv

Ad agency: Rumrill-Hoyt, Rochester, N.Y. Richard Thomson, chmn-ceo; Nick Orloff, pres-coo; Tim Cronin, sr vp-creative dir; Gale Johnson, sr vp-dir, pr; Helen Hutchings, vp-assoc grp mgr; Vicki Lewis, vp-assoc grp mgr, acct super; Anita Dangel, acct exec.

Amateur film, business & industrial, photofinishing, Ulratech batteries

Ad agency: J. Walter Thompson USA, New York. Jerry Gottlieb, mgmt dir; Marty Susz, acct dir-film & photofinishing; Richard O'Leary, sr vp-acct super, film; John Mittnacht, sr acct super-photofinishing; Jeff Bodenmann, acct super-film; Libby Light, acct rep-film; Anna Suessbrick, acct rep-photofinishing & processing labs; Anna Marie Mor, acct coord-film, photofinishing & processing labs; Doug Foster, vp-acct dir; Robert Losi, sr acct super-business & industrial; Jill Jackson, acct rep-business & industrial; Marty Rose, sr vp-mgmt super, Ultratech; Mitchell Brooks, acct dir-Ultratech; Hunter Madsen, acct super, Ultratech; Susan Resnick, asst acct rep-Ultratech; Lynne Bishop, acct coord-Ultratech.

Cameras

Ad agency: Young & Rubicam, New York. Peter Georgescu, pres; Roby Harrington, exec vp; Fernan Montero, grp dir; Tim Fitzgerald, mgmt super; Jonas Wagner, acct super; Maritza Roche-Smith, acct exec.

■ **Division**

Eastman Chemical Division
Kingsport, Tenn.

■ **Corporate personnel**

Ernest W. Davenport Jr., grp vp-pres; R. Wiley Bourne Jr., exec vp-mktg; James L. Chitwood, sr vp-research & devel; Tom O. Nethery, sr vp-manufacturing.

■ **Division**

Sterling Drug
New York, N.Y.

■ **Corporate personnel**

Hilary Hinchman, corp dir-adv svcs; Richard F. Gaccione, pres-Glenbrook Laboratories.

■ **Marketing personnel**

Glenbrook Laboratories: Steven Staves, vp-sales & mktg; Ellen Miller, Susan Danehower, Marcia Bittner, category mgrs.

■ **Brands**

Phillips' line, pHisoDerm

Ad agency: N W Ayer, New York. Lee Rubin, sr vp-exec acct dir; Kathy Oberg, vp-acct super, Phillips; Carol Foxley, vp-acct super, pHisoDerm.

Medical communications

Ad agency: Dugan/Farley Communications, Montvale, N.J. John P. Dugan, pres.

Bayer line, Panadol

Ad agency: Lintas:New York. Terry Rosenquist, grp exec vp; Elliot G. Dorfman, sr vp-mgmt super; Robert Nadelman, vp-acct super.

Stri-Dex, Midol

Ad agency: Warwick Baker & Fiore, New York. Wilder D. Baker, pres; John Sloan, sr vp-mgmt super; Ann Ridell, vp-acct super.

Neo-Synephrine

Ad agency: Slater Hanft Martin, New York. Jerry Martin, chmn; Adam Hanft, pres; Don Slater, exec vp.

■ **Division**

Winthrop Pharmaceuticals
New York

■ **Corporate personnel**

Harry A. Shoff, pres.

■ **Marketing personnel**

Thomas Giordano, vp-mktg, pharmaceutical prods div, John Cornille, vp-sales, pharmaceutical prods div; Dan Peters, vp-diagnostic imaging div; Alan Binaghi, vp-sales; Jack Talley, vp-US diagnostic imaging div.

■ **Brands**

Talwin Nx, Talacen, Carpujet

Ad agency: Vargas, Levy, New York. Tom Vargas, pres; Paul Hansen, sr vp.

Primacor

Ad agency: Klemtner Advertising, New York. Gavin A. Scotti, pres.

Inocor, Plaquenil, Donocrine

Ad agency: KPR, New York. Gabor Osuath, acct super.

Omnipaque

Ad agency: Lavey/Wolff/Swift, New York. John Dillon, vp-acct super.

Biobrane

Ad agency: S J Weinstein, New York. Mel Getzoff, acct exec.

■ **Division**

Lehn & Fink Products
Montvale, N.J.

■ **Corporate personnel**

Michael R. Gallaghr, pres-ceo; Peter Black, grp vp-Household grp; Kenneth M. Evans, grp vp, Do-It-Yourself grp. Household Prods. Div: Joseph M. Healy, pres; Kevin Dunn, vp-mktg; Jimmie Byrum, vp-sales. Personal Prods. Div: Peter Stearns, vp-mktg; Brian Curtiss, category mgr. National Laboratories: James Castello, pres; Jon Krance, vp-mktg; Donald Nowlin, vp-sales. Do-It-Yourself Grp.-Minwax Co: Ridgely W. Harrison III, pres; Richard A. Bachman, vp-mktg; Kathy Tousignant, vp-sales. Do-It-Yourself Grp.-Thompson & Formby Inc: Bill Stewart, pres; Frederick D. Miller, vp-mktg, Thomas E. Harris, vp-sales.

■ **Marketing personnel**

Household Prods Div: Christine McArdle, Craig Karasin, Ken Jones, John Tomcheck, dirs-category mgrs. National Laboratories: Michael Wesnofske, Richard Baiman, Lenore Suchy, John Jordan, dirs-mkt mgrs. Do-It-Yourself Grp.-Thompson & Formby Inc: Richard A. Loomis, S. Lawrence Damore, category mgrs.

■ **Brands**

Household Products Div: Lysol Pine Action, Lysol Bathroom Touch-Ups, Chubs, Wet Ones, Lysol Direct

Ad agency: Lowe & Partners, New York. Andrew Langer, ceo; Richard Villante, pres; Barry Linsky, exec vp; Steve Rosenblum, sr vp-mgmt super.

Household Products Div: RID-X septic tank additive

Ad agency: Ramm Advertising, Cranford, N.J. Ed Ramon, pres; Jack Hernish, vp.

Household Products Div: Lysol products, Love My Carpet, Mop & Glo

Ad agency: Lintas:New York. John Barnes, exec vp; Mike Lyman, Mike Pile, acct supers; Chris Clarke, Teresa Muench, acct execs.

Household Products Div: Glass Mates, d-CON rodenticides, Resolve Carpet Cleaner

Ad agency: Warwick Baker & Fiore, New York. Wilder Baker, pres-ceo; John Sloan, grp acct dir; Philip Kurier, acct super; Richard Miller, Danielle Serino-Appel, acct execs.

Personal Products Div: Ogilvie, Tussy, Dorothy Gray

Ad agency: Jordan, McGrath, Case & Taylor, New York. Pat McGrath, pres; Jodie Glasser, acct super; Jim Poh, vp-assoc media dir; Wayne Cerullo, vp-assoc research dir.

Personal Products Div: Diaparene

Ad agency: Warwick Baker & Fiore, New York. Wilder Baker, pres-ceo; Bob Fiore, vice chmn-chief creative officer; Jerry Seuferling, assoc media dir.

Do-It-Yourself Grp: Minwax consumer & industrial products

Ad agency: Gilbert, Whitney & Johns, Whippany, N.J. John Mimnaugh, exec vp.

Do-It-Yourself Grp: Thompson's & Formby's

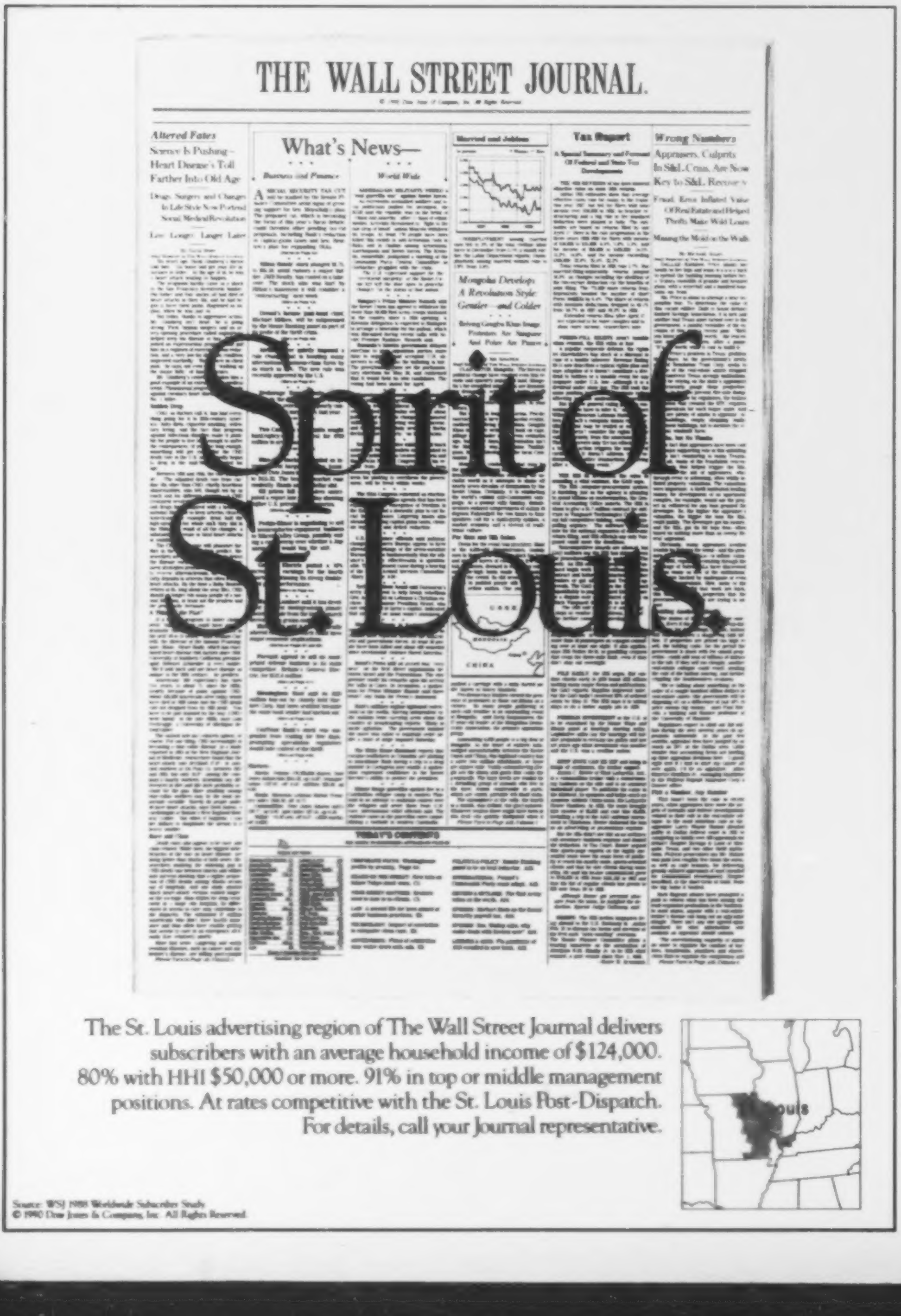
Ad agency: Slater Hanft Martin, New York. Jerry Martin, chmn; Terry Koch-Bostic, sr vp-mgmt super; Lily Li, vp-mgmt super; Adam Hanft, pres-creative dir; Don Slater, exec vp-creative dir.

Do-It-Yourself Grp: Red Devil

Ad agency: Lintas:New York. John Barnes, exec vp; Mike Lyman, acct super, Steve Kaufman, acct exec.

Honda tours national parks

Seeking new print forms, Honda helped fund a 12-page insert in *Reader's Digest* with the National Park Service that highlighted park sites, gave driving tips and carried ads for the Accord.


THE WALL STREET JOURNAL.
What's News—
Spirit of St. Louis.
The St. Louis advertising region of The Wall Street Journal delivers subscribers with an average household income of $124,000. 80% with HHI $50,000 or more. 91% in top or middle management positions. At rates competitive with the St. Louis Post-Dispatch. For details, call your Journal representative.

Source: WSJ 1988 Worldwide Subscriber Study
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Top 25 outdoor advertisers

Rank	Advertiser	Outdoor spending 1989	Outdoor spending 1988	% chg	Total U.S. ad spending 1989	Total U.S. ad spending 1988	Outdoor as % of total 1989	Outdoor as % of total 1988
1	**Philip Morris Cos.**	$70.9	$61.7	14.9	$2,072.0	$2,028.4	3.4	3.0
2	**RJR Nabisco**	49.1	57.2	(14.1)	703.5	740.9	7.0	7.7
3	**Loews Corp.**	34.2	32.8	4.2	143.0	123.3	23.9	26.6
4	**B.A.T. Industries PLC**	27.7	24.3	14.0	196.4	150.5	14.1	16.1
5	**American Brands**	10.7	11.8	(9.3)	204.2	168.0	5.3	7.0
6	**Seagram Co.**	9.0	9.3	(2.7)	136.8	140.8	6.6	6.6
7	**Grand Metropolitan PLC**	8.1	6.5	24.7	823.3	754.6	1.0	0.9
8	**Guinness PLC**	6.4	4.5	42.0	NA	NA	NA	NA
9	**Anheuser-Busch Cos.**	6.1	8.6	(28.2)	591.5	645.9	1.0	1.3
10	**McDonald's Corp.**	5.9	6.3	(6.1)	774.4	728.1	0.8	0.9
11	**Brown-Forman Co.**	4.7	3.1	54.0	NA	NA	NA	NA
12	**Holiday Corp.**	4.7	5.1	(8.2)	NA	NA	NA	NA
13	**Adolph Coors Co.**	3.8	2.9	30.4	201.0	200.8	1.9	1.4
14	**MCA Inc.**	3.71	1.5	139.7	219.9	157.1	1.7	1.0
15	**PepsiCo Inc.**	3.68	3.1	19.5	786.1	710.9	0.5	0.4
16	**General Motors Corp.**	3.68	3.0	22.8	1,363.8	1,290.6	0.3	0.2
17	**BankAmerica Corp.**	3.44	2.1	61.2	NA	NA	NA	NA
18	**Allied-Lyons PLC**	3.43	4.0	(13.3)	NA	NA	NA	NA
19	**Ford Motor Co.**	3.02	2.2	39.9	602.1	565.2	0.5	0.4
20	**Wells Fargo & Co.**	2.990	0.0	NA	NA	NA	NA	NA
21	**U.S. Government**	2.989	11.1	(73.2)	309.5	294.3	1.0	3.8
22	**Whitbread & Co. PLC**	2.96	2.2	37.1	NA	NA	NA	NA
23	**CBS Inc.**	2.8	1.9	50.9	NA	NA	NA	NA
24	**Colgate-Palmolive Co.**	2.5	1.3	82.9	246.3	351.7	1.0	0.4
25	**Ramada Inns**	2.3	2.8	(16.9)	NA	NA	NA	NA

Note: Dollars are in millions. **Source**: LNA/Arbitron. See Page 2 for methodology and other source information.

AA chart: Kevin Brown

RANK: 13

Ford Motor Co.

Dearborn, Mich.
Ad spending: **$602.1** million

■ U.S. ad spending ($ in thousands)

By media	1989	1988	% chg
Magazine	135.239	125.532	7.7
Sunday magazine	593	603	(1.8)
Newspaper	27.109	24.885	8.9
Outdoor	3.016	2.157	39.9
Network TV	201.372	175.688	14.6
Spot TV	54.871	68.885	(20.3)
Syndicated TV	6.634	4.543	46.0
Cable TV networks	7.253	6.267	15.7
Network radio	11.180	12.043	(7.2)
Spot radio	13.390	11.827	13.2
Measured media	460.656	432.428	6.5
Unmeasured	141.400	132.800	6.5
Total	602.056	565.228	6.5

By top brands	1989	1988	% chg
Ford passenger cars	197.867	214.953	(7.9)
Ford trucks & vans	105.033	74.578	40.8
Mercury passenger cars	65.586	54.410	20.5
Lincoln passenger cars	32.459	40.317	(19.5)
Ford cargo trucks	15.653	4.705	232.7
Jaguar passenger cars	12.812	13.565	(5.6)
First Nationwide banks	10.018	11.741	(14.7)
Ford car stereo systems	7.723	5.774	33.7
Motorcraft automotive products	5.025	6.797	(26.1)
Ford parts	2.982	4.811	(38.0)

■ Sales & earnings ($ in millions)

Worldwide	1989	1988	% chg
Sales	96.146	92.446	4.0
Earnings	3.935	5.300	(25.8)

U.S.	1989	1988	% chg
Sales	72.784	70.626	3.1
Net income	1.627	3.015	(46.0)

Division sales	1989	1988	% chg
Automotive	82.879	82.193	0.8
Financial svcs	13.267	10.253	29.4

■ Annual review

Ford Motor Co., the No. 2 domestic automaker, stepped up ad spending in 1989 as it felt the effects of slowing car sales and increased competition. Its earnings dropped 28% for 1989 after three straight years of record returns.

Ford sold some of its operations in late 1989 and 1990 to put its resources into its two core business units, automotive and financial services. Sold between yearend and this month were Ford's Rouge Steel subsidiary, the Ford Aerospace unit and Ford-New Holland tractor and farm equipment operation. Ford still holds a 20% stake in Rouge Steel and Ford-New Holland.

Ford purchased British luxury carmaker Jaguar in November 1989 for $2.5 billion and said goodbye to Chairman Donald Petersen, who announced in November 1989 he would take early retirement. He was succeeded by Harold Poling, former vice chairman-COO. Philip Benton, formerly president of the Ford Automotive Group, succeeded Mr. Poling as COO and gained the title of company president.

Ford introduced a redesigned Lincoln Town Car and four-wheel-drive versions of its Aerostar minivan in the fall of 1989. It also introduced several new products in 1990 including the new Ford Escort, the best-selling car of the 1980s, the Ford Explorer sport utility vehicle (which replaced the Bronco II) and the Australian-built Mercury Capri convertible. Ford said it will spend more on new products and facilities in the next five years than the $23 billion it spent in the last five.

Ford sold 2,205,598 Ford, Lincoln-Mercury and Merkur cars in 1989, down 2.5% from 1988. Its car market share increased to 22.4% in 1989 from 21.6%. Ford truck sales of 1,466,929 declined 3%. Its market share decreased slightly from 29.12% in 1988 to 28.76% in 1989.

Ford light trucks, market leader, lost share points to Chevrolet in 1989. Chevrolet began running ads in the winter of 1989 that showed people in rural Ford County, Ill., prefer Chevrolet trucks over Ford's. Ford argued that it sold more trucks in Ford County and ran a TV spot to counter the claim.

Ford's truck sales got a boost in March when Ford introduced its four-door and two-door Explorer. The Explorer is designed to compete with the Jeep Cherokee and four- and two-door versions of the Chevrolet Blazer. Ford is predicting Explorer will double its sales in the sport utility category in the future. Ford also launched an overall truck campaign themed "The best never rest" in April 1990.

The company's car business continues to give mixed results. Despite domestic leadership in car sales for the Ford nameplate for both the 1989 model and calendar year, Ford is in a tight battle for the 1990 sales crown. Chevrolet, buoyed by its Geo import car lineup, beat Ford sales by nearly 45,000 units for the first half of 1990.

Ford is counting on its 1991 redesigned Escort that went on sale this April. The new Escort, based on the Mazda 323 subcompact, is being called the most important launch in its history. Ford is spending an estimated $65 million-$70 million in advertising to launch the Escort redesign. The car is important to Ford to continue high sales volumes of small cars so it can meet tougher fuel economy standards in the future. The fuel-efficient Escort is important to keep Ford's average low and meet the corporate auto fuel economy (CAFE) standard.

Ford Division continued to use its age-old theme line "Have you driven a Ford lately?" in both print and TV for its cars.

During 1989, the heaviest advertised Ford car was the Ford Taurus at $25.7 million, down 20.2%. Ranger received the most ad support for a Ford truck with $47.8 million, up 72.6%. Ford Division spent $260 million in media advertising for both cars and light trucks in 1989, up 6%, according to LNA/Arbitron.

Two new cars at Lincoln-Mercury, the Mercury Capri and Escort's sister, the Mercury Tracer, entered the market this summer. Both are designed to bring in younger buyers to L-M showrooms. Mercury continued with its year-old theme line "Nothing moves you like a Mercury" showing a live cougar jumping into block letters spelling Mercury.

L-M dropped its Merkur brand in October 1989 after five years of unsuccessfully trying to crack the European import segment with its Ford of Europe-built XR4Ti and Scorpio cars. Dealers and industry analysts applauded the move.

Lincoln enjoyed increased market share from 1.81% in 1988 to 2.01% in 1989 and increased sales so far in 1990, thanks to more interest in luxury cars and its redesigned Town Car for 1990. Golfer Jack Nicklaus appeared in several Lincoln ads as Lincoln continued to use its ad theme, "What a luxury car should be," in both print and TV.

L-M measured advertising rose 3% to $98 million for its cars, including Merkur cars, in the 1989 calendar year. The Mercury Cougar pulled the largest media expenditure of $34.4 million, up from only $11.3 million in 1988, according to LNA/Arbitron.

Ford signed a $43 million deal for commercial time during the 1992 and 1994 Winter Olympics.

Ford Financial Services announced plans in April 1990 to purchase Marine Midland Automotive Financial, the fourth largest automotive financing unit. It also formed Ford Holdings to raise capital for its purchase of Associates Corp. and serve as the holding company for its leasing and insurance subsidiaries.

Its pan-European auto replacement parts account was shifted to Ogilvy & Mather in September 1989 from Lintas' CM:Spectrum.

■ Headquarters

Ford Motor Co.
The American Road
Dearborn, Mich. 48121
(313) 322-3000

■ Corporate personnel

Edsel B. Ford II, exec dir-mktg staff; F.R. Wuellner, adv & comms mgr; T.J. Wagner, vp-genl mgr, Ford Div.; R.H. Roberts, vp-gm, Lincoln-Mercury Div; L.R. Miskowski, vp-gm, Ford Parts & Service Div.; J.G. O'Connor, genl sales & mktg mgr-Ford Parts & Service Div.; D.S. Cook Jr., exec vp-N. American auto financing, Ford Motor Credit Co.

■ Marketing personnel

Ford Div: P.M. Novell, genl sales mgr; J.D. Carey, exec asst-dealer affairs; K.C. Magee, genl mktg mgr; J.M. Ludlow, truck sales promo mgr; J.B. Vanderzee, adv mgr; R.J. Gillooly, car adv mgr; W.L. Glick, truck adv mgr; B.A. Koehler, merch mgr; J.F. Gismondi, car sales promo mgr; J.H. Harnden, training comms mgr; J.H. Merrifield, heavy truck sales mgr; J.H. Hicks, heavy truck adv & merch mgr; J.A. Pierce, heavy truck adv mgr; T.A. Ryan, heavy truck merch mgr. Lincoln-Mercury Div: Mark Hutchins, genl sales mgr; Ian McAllister, genl mktg mgr; Steve Lyons, adv mgr; Ron Robbins, merch mgr; Chuck Schneider, major market dealer adv mgr. Ford Parts & Service Div: K.W. Myers, parts & svc mktg mgr; L.K. Dwiggins, genl sales & svc mgr; A.L. Merritt, adv & sales promo. Ford Motor Credit Co.: J.P. Henley, vp-Western U.S.; V.J. Radzik, vp-Eastern U.S. & Canada; S.M. Poth, vp-business planning; L.C. Larkin, vp-mktg; R.C. Donoghue, mgr quality office; D.J. Wennerberg, mgr operations svcs office; L.J. Mason, mgr tractor & equip.

■ Brands

Corp adv

Ad agency: Wells, Rich, Greene, New York. James B. Lawrence, sr vp-mgmt dir, Detroit.

Ford cars & trucks

Ad agency: J. Walter Thompson USA, Detroit. Charles Balestrino, exec vp-gm; Dan Topping, sr vp-mgmt dir, Ford car; Richard Howting, exec vp-creative dir; Doug Molloy, vp-mgmt super, family cars; Gerd Leimbach, vp-mgmt super, special cars; Sean Neall, sr vp-mgmt dir, Ford truck; John Scott, exec vp-creative dir; Mike Gonyea, vp-mgmt super, light trucks; Ben Wright, vp-mgmt super, medium/heavy trucks; Hugh Trenkamp, exec vp-gm, regional adv grp.

Lincoln-Mercury minority adv

Ad agency: UniWorld Group, New York. Byron Lewis, chmn-ceo; Fermina Platon, vp-dir mktg.

Lincoln-Mercury

Ad agency: Young & Rubicam, Detroit. Roby Harrington, exec vice chmn-Y&R USA natl grp; John Sanders, chmn-ceo, Y&R Detroit; Don Williams, exec vp-grp dir; Warren Winstanley, vp-grp mgmt super; Tom Ryan, Carol Canestraight, vps-mgmt supers, Mercury; Tim Cooney, vp-mgmt super, Lincoln; Greg Stein, sr vp-dir strategic planning; Al Hogg, vp-acct super, prod info; Chuck Riley, exec vp-dir client svcs; Ken Pool, sr vp-dir, media relations & planning.

Ford Parts and Service

Ad agency: Ogilvy & Mather, Detroit. Jan Starr, sr vp-gm; Steve Kenety, vp-dir mktg; David Murphy, vp-mgmt super; Steve Hamilton, acct super.

Ford Motor Credit

Ad agency: Wells, Rich, Greene, New York. Allan Vernier, vp-mgmt super.

RANK: 44

General Electric Co.

Fairfield, Conn.
Ad spending: **$243.2** million

■ U.S. ad spending ($ in thousands)

By media	1989	1988	% chg
Magazine	38.332	36.747	4.3
Sunday magazine	962	1.900	(49.4)
Newspaper	20.926	26.542	(21.2)
Outdoor	1.413	1.508	(6.3)
Network TV	28.662	42.939	(33.2)
Spot TV	12.115	10.907	11.1
Syndicated TV	12	50	(76.3)
Cable TV networks	2.689	1.290	108.4
Network radio	2.819	1.948	44.7
Spot radio	3.129	1.559	100.7
Measured media	111.056	125.390	(11.4)
Unmeasured	132.100	149.100	(11.4)
Total	243.156	274.490	(11.4)

By top brands	1989	1988	% chg
NBC TV	33.077	34.635	(4.5)
GE corporate	28.752	37.804	(23.9)
GE lighting equipment	8.674	7.584	14.4
GE major appliances	6.749	9.993	(32.5)
GE refrigerators	5.441	2.587	110.4
WNBC TV	3.526	2.732	29.1
CNBC cable network	2.897	0	NA
RCA/Columbia record club	2.828	4.714	(40.0)
KNBC TV station	2.705	3.548	(23.8)
WMAQ TV station	2.426	2.698	(10.1)

■ Sales & earnings ($ in millions)

Worldwide	1989	1988	% chg
Sales	54.574	50.089	9.0
Earnings	3.939	3.386	16.3

U.S.	1989	1988	% chg
Sales	48.912	46.364	5.5
Operating profit	6.070	4.941	22.8

Division sales	1989	1988	% chg
Aerospace	5.282	5.343	(1.1)
Aircraft engines	6.863	6.481	5.9
Broadcasting	3.392	3.638	(6.8)
Industrial	7.059	7.061	(0.0)
Major appliances	5.620	5.289	6.3
Materials	4.929	3.539	39.3
Power systems	5.129	4.805	6.7
Technicals prods, svcs	4.545	4.431	2.6
GEFS	12.945	10.656	21.5
Other	319	384	(16.9)

■ Annual review

NBC Television Network's efforts to build viewership for its new fall schedule in a first-ever joint sweepstake promotion with Sears, Roebuck & Co. apparently worked well enough to prompt the leading network to try it again—this time with an even more seasoned promo artist, McDonald's Corp.

NBC, now General Electric's biggest advertised division, and McDonald's Corp. will give away some $35 million in cash during a four-week, watch-and-win game called "McMillions on NBC." NBC has been mum about the success of the Sears venture. However, CBS, which linked with K mart in a similar effort, credited its promotion with helping boost viewership of its new fall prime time shows by more than 20% over premiere showings in 1988.

Until last year, GE spent more media ad dollars on general GE corporate promotion. That spending declined 24.4% in 1989 to $28.8 million, compared with NBC spending of $33.1 million, down 4.3%, according to LNA/Arbitron.

The company also cut media spending on its GE appliances by 36.9% to $11.8 million, most of the decline coming out of general promotion for major appliances. Among its itemized appliances mix, the company nearly doubled advertising for refrigerators/freezers to $5.4 million in 1989.

The restructuring of GE in the 1980s has left the company with less of a consumer orientation. This translates into reduced ad spending. This year's 12.9% companywide decline in measured media erases last year's 3% increase and continues an ad reduction trend that started in 1986.

Few if any products spent more in media in 1989 than in 1988, one exception being home light bulbs, which grew 20.9% to $8.1 million.

NBC remained the ratings leader for the 30-week season ended April 15, but its 14.6 rating was off 17% from the previous year. The three-network average prime-time share of total TV viewers during the 1989-90 TV season dropped slightly to 66%.

NBC still commands more ad revenue than its competitors although prior-year figures reflect heavy spending on NBC and ABC by Olympics advertisers. NBC's network revenue in 1989 hit $3.68 billion, down 3.7%; ABC revenue came in at $3.02 billion for both years, and CBS claimed $2.86 billion, up 4.4%.

Once again NBC led the three networks with about $1.5 billion in sales during the record-setting $4.3 billion upfront prime-time selling season for the 1990-91 TV season.

Earlier this year NBC merged its ad sales operations for broadcast and cable TV. The NBC sales force now oversees ad sales for CNBC and SportsChannel America, which NBC co-owns with Cablevision Corp. The set-up helped NBC complete a $500 million-$750 million, three-year upfront ad deal with General Motors Corp. that includes advertising on NBC's prime-time programs and sports and its cable properties.

NBC executives called the deal "the largest single commitment made by any advertiser in the history of television." Both parties said the agreement extended what had become an established buying pattern on NBC by the nation's No. 1 automaker.

CNBC, launched in April 1989 with 13 million subscribers, had 16.8 million subscribers by June 1990 but is still far short of its 30 million subscriber break-even point. In July, Albert F. Barber, exec VP-CFO of NBC, took over the presidency of the cable network, replacing Michael Eskridge.

NBC also is banking on cable TV to help the network defray the $401 million telecast rights fees and maybe reap a profit on the 1992 Summer Olympic Games in Barcelona. The network initially talked about offering a special cable pay-per-view package for about $150 which would give an Olympics fan around-the-clock coverage on as many as three channels for two weeks. Those plans could change as the network attempts to maximize its Olympic investment.

■ Headquarters

General Electric Co.
3135 Easton Turnpike
Fairfield, Conn. 06431
(203) 373-2211

■ Marketing personnel

Richard A. Costello, mgr-corp mktg comms; James R. Harman, mgr-corp adv; Victor H. Alcott, mgr-GE Appliances adv; William D. Rayer, mgr-GE Lighting adv; William S. Kelly, vp-pr & adv, GE Capital.

■ Brands

Brand image, corp adv, major appliances, lighting

Ad agency: BBDO, New York. Arnold Ross, acct dir-corp mktg & GE Appliance Group; Ken Angel, acct dir-GE automobile headlamps, GE batteries & GE Retail Lighting.

GE Capital

Ad agency: Jordan, McGrath, Case & Taylor, New York. Jack Taylor, vice-chmn.

■ Subsidiary

NBC Entertainment
New York

■ Marketing personnel

John D. Miller, exec vp-mktg, NBC-TV Network; Vince Manze, vp-adv & promo, West Coast; Tim Miller, vp-adv & promo, East Coast; Paul Wang, vp-prog & media planning; John Luma, vp, on-air promo; Martha Stanville, vp-affiliate adv & promo svcs; Jenness Brewer, vp-print adv; Marla Goldstein, dir-media planning.

■ Brands

NBC Entertainment

Ad agency: D'Arcy Masius Benton & Bowles, Los Angeles. Jim Helin, mg dir; John Armistead, deputy mg dir-exec creative dir.

Coin bullion honors 500th

U.S. Mint eyes 1992 for big ad push behind coin honoring Columbus' discovery.

RANK: 21

General Mills

Minneapolis
Ad spending: **$471.0** million

U.S. ad spending ($ in thousands)

By media	1989	1988	% chg
Magazine	16,593	18,404	(9 8)
Sunday magazine	104	598	(82 6)
Newspaper	3,417	2,332	46 5
Outdoor	389	295	31 9
Network TV	144,975	137,450	5 5
Spot TV	150,257	145,945	3 0
Syndicated TV	10,907	5,715	90 9
Cable TV networks	21,306	20,011	6 5
Network radio	5,406	5,809	(6 9)
Spot radio	1,913	1,212	57 9
Measured media	355,266	337,769	5 2
Unmeasured	115,700	110,000	5 2
Total	470,966	447,769	5 2

By top brands	1989	1988	% chg
Cheerios cereal	68,108	49,009	39 0
Red Lobster restaurants	57,966	50,790	14 1
Total cereal	42,015	27,095	55 1
Oatmeal Raisin Crisp cereal	14,331	12,711	12 8
Fruit Corners snacks	11,928	12,828	(7 0)
Betty Crocker dinners	11,841	13,929	(15 0)
Lucky Charms cereal	11,113	11,386	(2 4)
General Mills cereal	11,110	620	NA
Raisin Nut Bran cereal	10,696	9,699	10 3
Wheaties cereal	10,254	9,412	8 9

Sales & earnings ($ in millions)

Worldwide	1990	1989	% chg
Sales	6,448	5,621	14 7
Earnings	374	315	18 5

U.S.	1990	1989	% chg
Sales	5,796	5,071	14 3
Operating profits	656	543	20 8

Division sales	1990	1989	% chg
Consumer foods	4,520	3,999	13 0
Restaurants	1,928	1,622	18 9

Notes: Fiscal year ended May 27, 1990

Annual review

General Mills spent the last year racing to keep production up with demand for its popular cereal lines, expanding its restaurant chains and new foodservice concepts and finalizing plans to enter the European market with Big G cereals.

General Mills linked with Nestle S.A. to create a worldwide breakfast cereal business, Cereal Partners Worldwide (CPW), that promptly purchased the U.K. breakfast cereal business of Ranks Hovis McDougall PLC. That foray gave CPW 15% of the $1 billion U.K. cereal business, RHM's market share.

Though second only to Kellogg in the $6 billion U.S. cereal market, General Mills had been a minor player compared to Kellogg in Europe. Sales of cereals are estimated at $1.6 billion there, and are expected to quadruple by the year 2000.

In the U.S., General Mills cereals hold a 27% dollar share of the ready-to-eat cereal market based on its fiscal 1990 cereal sales of $1.6 billion, up 19.5%. Growth came despite production capacity limitations which forced a delay in new-product introductions. Relief will come from a new plant that began production in April and four other plants to come on-line in 1991.

Established brand lines Cheerios and Total accounted for nearly half of General Mills' cereal business. Each line introduced an extension—Apple Cinnamon Cheerios and Total Raisin Bran.

The 49-year-old Cheerios is the country's leading cereal, while 10-year-old Honey Nut Cheerios is third. Apple Cinnamon Cheerios is 14th in dollar sales at 1.5% share. The entire brand commands 9.7% (up from 8% in 1988) of the ready-to-eat cereal market. General Mills is test marketing Cheerios to Go, a package of six snack-size packets of the brand's three flavors. The Cheerios line was backed by $68 million in media last year, a 35% increase, according to LNA/Arbitron. Total, which claimed 2.6% of the market in 1989, down 0.1 points, received $42 million, up 49%.

McDonald's Corp. this March tapped Cheerios and Wheaties for its breakfast menu. If the cereals catch on, they could quickly generate additional revenue of up to $200 million.

Kellogg's market share is estimated at 39.5% to General Mills' 27% of the ready-to-eat cereal market. In hot cereals, General Mills' 8% share ranks third, far behind Quaker Oats' 61% lead. The company introduced a new hot cereal, Undercover Bears, nationally in September, supported by a $10 million network and spot TV campaign from Campbell-Mithun-Esty, Minneapolis. Targeting kids for its hot cereal products has been General Mills' longtime strategy.

Psyllium-based Benefit and line extension Raisin Oat Bran were dropped.

New product rollouts dominated General Mills' activity in the $298 million fruit snacks market, which it leads with a market share nearing 44% compared to 37.8% for runner-up Thomas J. Lipton Inc. The bite-size segment of the market continues to grow as fruit rolls and bars decline. New products included Thunder Jets and Surf's Up fruit shapes and Garfield & Friends fruit rolls with peel-out cartoon characters.

Red Lobster USA, whose sales represent 25% of the $5.3 billion U.S. seafood dinnerhouse segment, increased measured ad spending to $58 million, up 13.7%. Its advertising highlighted special meal promotions in its 460 restaurants. While Red Lobster added 20 units, General Mills' Olive Garden Italian restaurant added 55. Backed by $3.6 million in measured spending and its first promotional event, "The Carnival of Venice," Olive Garden's 200 restaurants claimed a 10% share of the $4.5 billion Italian dinnerhouse segment.

Combined sales for Red Lobster and Olive Garden are expected to reach $3 billion by 1993, as General Mills adds 45 to 50 units per year to each chain.

China Coast, a dinnerhouse concept in test in Orlando, is bringing Oriental food to an audience aged 45-64, the population segment that frequents full-service restaurants the most, said General Mills. China Coast's menu features three popular Chinese regional cuisines, and meals are prepared to be free of cholesterol and MSG.

General Mills is testing a foodservice concept in Minneapolis called Bringer's, which provides home delivery of hot prepared foods, salads and appetizers. With its moderate pricing—the average entree costs $5.50—and a delivery time of 19 minutes, Bringer's is promoted as an alternative to pizza.

Headquarters

General Mills
Number One General Mills Blvd.
Minneapolis, Minn. 55426
(612) 540-2311

Corporate personnel

H. Brewster Atwater, chmn-ceo; F. Caleb Blodgett, vice chmn-cfo; Mark H. Willes, pres-coo; Arthur R. Schulze, vice chmn; Joe R. Lee, pres-General Mills restaurants; Steven M. Rothschild, exec vp-convenience & intl foods, Gorton's, Sperry, Yoplait & new business; Roger W. Rumble, pres-foodservice; Michael E. Cushmore, pres-Sperry div; Stephen W. Warhover, pres-Gorton's; Peter J. Spokes, pres-Yoplait; David K. Murphy, pres-Betty Crocker prods; Stephen W. Sanger, pres-Big G div; Edward K. Bixby, pres-consumer foods; Jeffrey J. O'Hara, pres, Red Lobster USA; Ronald N. Magruder, pres-The Olive Garden Restaurants; Blaine Sweat III, gm-China Coast.

Marketing personnel

Donald L. Knutzen, vp-gm, mktg svcs; Robert J. Blake, dir-adv svcs, consumer foods.

Brands

Grocery & trade adv, worldwide military adv

Ad agency: Bozell, Minneapolis. Eric Forslin, vp-acct super; Ron Oakland, creative dir; George Scott, media planner.

Cinnamon Toast Crunch, Oatmeal Raisin Crisp, Oatmeal Crisp, Oatmeal Swirlers, Undercover Bears, Nature Valley Granola Bars, Bugles, Betty Crocker Pop Secret microwave popcorn, new products

Ad agency: Campbell-Mithun-Esty, Minneapolis. Tom Hanft, Les Mouser, exec vps-dirs, acct svcs; Kate Richardson, vp-mgmt super.

APPLE GO
NETWORK.

Introducing 103 of the latter.

There are two kinds of innovations in the computer business. The ones you just talk about. And the ones you actually use.

The new Macintosh IIfx. Measure its power by your results.

Introducing the Mac that gets business communicating at its best.

When Apple Computer and its agency BBDO/LA wanted to reach serious computer buyers to introduce their new "wicked fast" Macintosh IIfx, they went primetime with the *Ziff-Davis PC Network*. What better way to launch a computer that's a serious rival to the PC standard.

Communicating with the best buyers.

With a combination of flexible media schedules in three publications—*PC Magazine*, *PC Week* and *PC/Computing*—Apple can go right to the top of the ratings with 1.5 million computer buyers, reaching circulation numbers and demographics that only the business books used to offer.

Says Ron Harrison, BBDO/LA's Senior Vice President/Director of Media Service, "With the Network, we can appeal to buyers through their different 'points of view'. There is no larger group of buyers than those reached by these three complementary publications. The Network breaks new ground for Apple and helps influence markets that are critical to their success in the 1990s."

Apple, the Apple logo, Macintosh and IIfx are registered trademarks of Apple Computer, Inc.
"Wicked fast" is an official sound-bite of Frank Casanova and the Macintosh IIfx development team.

Crispy Wheats 'n Raisins, Golden Grahams, Raisin Nut Bran, Betty Crocker dessert mixes, Betty Crocker potatoes, Bisquick, Bac-O's, Wheaties, Hamburger Helper, Chicken Helper, Tuna Helper, Yoplait yogurt brands, Gold Medal flour, Gold Medal whole wheat blend flour, Oriental Classics, Suddenly Salad, Betty Crocker Potato Medleys, Sperry div adv, new main meals, new instant meals
Ad agency: DDB Needham Worldwide, Chicago. Kirk Borland, grp acct dir; Peter Kuntz, mgmt rep-Betty Crocker & Yoplait; Bob Klein, mgmt representative-Big G

Bringers
Ad agency: Fallon McElligott, Minneapolis. Mary Weber, mgmt super; Mike Buchner, acct super; Marilee Fasching, acct exec.

Red Lobster Inns, Olive Garden Restaurants
Ad agency: Grey Advertising, New York. Red Lobster: Jordan Rosuck, exec vp; Steve Haber, vp-grp mgmt super; Rick Cusato, vp-mgmt super. Olive Garden: Stew Hegleman, exec vp; Les Strauss, vp-grp mgmt super; Wende Lyman, vp-mgmt super.

Gorton's fish, Market Fresh
Ad agency: Laurence, Charles, Free & Lawson, New York. Carey Field, Pam Schreiber, acct supers; Craig Gordon, asst acct exec.

Foodservice, bakery flour
Ad agency: Harris & West Advertising, Bloomington, Minn. Dennis Gallaher, genl acct super; Andy Martin, acct exec.

Cheerios cereals, Clusters, Cocoa Puffs, Fiber One, Kix, Total, Total Raisin Bran, Total oatmeal, Fruit Roll-Ups, Fruit Wrinkles, Berry Bears, Shark Bites, Garfield Fruit Snacks, Surf's Up Fruit Snacks, Squeezit fruit drinks, Betty Crocker pancake mix, Soft-as-Silk cake flour, new hot cereal development, new products
Ad agency: Saatchi & Saatchi Advertising, New York. Skip Slims, exec mgmt dir; Michael Burns, mgmt dir; Ann Almaier-Adriance, mgmt super.

Gorton's seafood-special assignment
Ad agency: Wattenmaker Advertising, Cleveland. James S. Wattenmaker, pres-acct mgr; Monica Wesolowski, media director.

McDonald's financials biodegradable

McDonald's, which printed its 1989 annual report on recycled paper generated 100% from its own operations, moved this year to counter criticism of the amount of garbage its packaging creates by avowing to step up its use of recycled paper well beyond annual reports and by testing regionally a promotion that distributed tree seedlings to elementary students. In the latter promotion, McDonald's also provided educational materials on the environment to grade school teachers.

RANK: 4

General Motors Corp.

Detroit
Ad spending: **$1,363.8** million

■ U.S. ad spending ($ in thousands)

By media	1989	1988	% chg
Magazine	213,524	190,799	11.9
Sunday magazine	12,327	15,962	(22.8)
Newspaper	55,654	83,337	(33.2)
Outdoor	3,680	2,997	22.8
Network TV	506,514	443,402	14.2
Spot TV	90,921	115,286	(21.1)
Syndicated TV	20,672	6,054	241.5
Cable TV networks	21,039	9,201	128.7
Network radio	35,309	38,255	(7.7)

By media	1989	1988	% c
Spot radio	39,477	40,185	(1.
Measured media	999,116	945,478	5
Unmeasured	364,700	345,100	5
Total	1,363,816	1,290,578	5

By top brands	1989	1988	% ch
Chevrolet cars	180,551	184,041	(1.
Oldsmobile cars	132,965	139,534	(4.
Buick cars	115,296	119,787	(3.
Pontiac cars	111,603	128,947	(13.
Chevrolet light trucks	104,182	111,630	(6.
GM cars	79,599	42,491	87.
Geo Metro & Tracker	69,359	9,957	596.
Cadillac cars	47,923	48,396	(1.0
General Motors auto parts	36,681	32,496	12.
GMC light trucks	23,548	22,525	4.

■ Sales & earnings ($ in millions)

Worldwide	1989	1988	% chg
Sales	126,932	123,642	2.
Earnings	4,224	4,856	(13.0

U.S.	1989	1988	% chg
Sales	93,878	88,745	5.
Net income	1,813	1,702	6.

Division sales	1989	1988	% chg
Automotive	99,106	97,438	1.
Financing & insurance	11,254	10,665	5.
Other	12,852	12,285	4.

■ Annual review

The beginning of the Robert Stempel era and an apparent bottoming-out of a harrowing slide in market share provided optimistic notes as General Motors Corp. entered the last quarter of 1990.

The new management team that took office Aug. 1 was led by Mr. Stempel as chairman and Lloyd Reuss as president. Both came up through GM's engineering ranks, leading observers inside and outside the company to predict a new emphasis on product at GM. Mr. Stempel replaced Roger Smith, who retired. Like most of his predecessors, Mr. Smith advanced through the financial side.

GM's share of the U.S. new vehicle market, including cars and light trucks, plummeted from 45.7% units in 1980 to 35.1% in 1989. Each share point in 1989 represented about $2 billion in sales. The 1989 share was down from 35.6% in 1988. Total 1989 U.S. vehicle sales for GM were 5,106,224 units, a decline of 7.4% from the previous year.

But for the first seven months of 1990, GM's share rebounded to 36% as the market itself diminished. GM's unit sales for the period also declined, by 1.8% compared to the previous year.

Worldwide factory sales of GM vehicles fell to 7,946,000 in 1989, off 2%. In the U.S., GM sold 3,437,251 cars, down 10.1%, and 1,668,973 light trucks, down 1.2%. Buick maintained a 5.5% share of the U.S. car market; Cadillac rose to 2.7% from 2.5%; Chevrolet dropped from 14% to 13.7%; Oldsmobile fell to 6.1% from 6.8% and Pontiac declined to 6.9% from 7.4%.

In the light-truck market, Chevrolet increased its share from 27.4% to 28%, and GMC went up from 7.2% to 7.6%. Pontiac and Oldsmobile became players in the light-truck market with the late 1989 introduction of new minivans and finished the year with a combined 0.1% of the truck market.

For 1989, Buick media spending declined 2.4%, to $115.4 million; Cadillac boosted its spending by 19.6%, to $57.8 million; Chevrolet spending was up 18.6% to $358.6 million (includes cars, trucks and Geo brand); GMC Truck raised spending 4.9% to $27.3 million; Oldsmobile declined 4.7% to $133 million and Pontiac was up 17.6%, to $111.6 million, according to LNA/Arbitron.

GM tightened its belt in early 1990, lopping an estimated $80 million out of first-half divisional budgets in reaction to the industrywide slowdown in sales. Some of the funds were channeled into a new corporate campaign, themed "GM puts quality on the road," an effort that originated after surveys indicated that perception of GM quality was worse than reality. GM also sought to hold on to owners of GM vehicles built in the mid-1980s by assuring them that quality had improved.

Chevrolet in the fall of 1989 revamped its strategy for its Geo-branded line of cars and sport utility vehicles, settling on a single ad campaign, "Get to know Geo," from Lintas:Campbell-Ewald. The campaign replaced two separate campaigns that had been used regionally, one from Lintas:Campbell-Ewald and the other from West Coast agency Vic Olesen & Partners. Through mid-August, Geo sales were up 46.6% from the same period in 1989, a key reason Chevrolet has overtaken Ford in the race for the 1990 car sales crown.

Buick attempted to capitalize on several high finishes in quality surveys by marketing consultancy J.D. Powers & Associates. Buick first used a new theme line, "The new symbol for quality in America," in July 1989. A year later that line became the predominant theme in Buick campaigns. The former tagline, "The great American road belongs to Buick," was kept only as an instrumental

ES

PC WEEK
Heralded Windows 3.0 Faces an Uphill Climb
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Windows Extravaganza Sets $10 Million Industry Record
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musical theme.

Cadillac was one of several marketers to put new emphasis on safety in the 1990 model year. When ads touted safety features, the theme line "Building a safer automobile, Cadillac style" was brought into play. "The only way to travel is Cadillac style" line remained the overall theme.

Oldsmobile tried to build confidence in its products by announcing in September 1989 that it would permit dissatisfied owners to return cars for full credit toward another vehicle. "The new generation of Oldsmobile" remained the theme line for the 1990 model year, but Olds dropped the well-known copy line, "This is not your father's Oldsmobile," a line criticized in some quarters as patronizing to the division's older buyers.

GM was preparing to launch in late October 1990 the first two models from its Saturn subsidiary, created to battle Japanese imports and to experiment with new manufacturing and marketing strategies. A teaser campaign scheduled to break this month was to explain the company's background by profiling employees and dealers. "A different kind of company. A different kind of car" is the theme.

GM announced in April 1990 that it would go into production at an unspecified date with an electric car, based on its Impact prototype that accelerates from zero to 60 mph in eight seconds, has a top speed of 110 mph and a range of 125 miles between battery charges.

On the media front, GM in April 1990 struck a three-year, estimated $750 million agreement with NBC assuring the automaker access to top-rated, prime-time shows and sports programming. NBC said the deal was the largest commitment ever made by an advertiser in the history of television.

■ Headquarters

General Motors Corp.
3044 W. Grand Blvd.
Detroit, Mich. 48202
(313) 556-5000

■ Corporate personnel

J.B. Fitzpatrick, vp-comms & mktg staff; P. Guarascio, exec dir-mktg programs & adv; G.H. Pruette, Jr., dir-public affairs adv; W.G. Quigley Jr., exec, comms; R.J. Muratore, mgr-public affairs adv; D.J. Teasdale, dir-adv operations; M.A. Browner, genl dir-media operations; M.J. O'Malley, genl dir-strategic merch & mktg programs; D.P. Bolen, adv operations mgr; K.M. Smagacz, adv super.

■ Brands

Corp adv

Ad agency: D'Arcy Masius Benton & Bowles, Bloomfield Hills, Mich. Ronald Monchak, mg dir; Theodore Teegarden, exec vp-mgmt super; James Aldrich, vp-grp acct super; Stephen Kopcha, exec vp-creative dir.

Corp public relations adv

Ad agency: N W Ayer, New York, Detroit. New York office: Jerry Siano, chmn-pres-ceo; Tom Maxey, vice-chmn, intl; Dominick Ross Jr., exec vp-pres, Ayer-New York/Detroit; Patrick Cunningham, exec vp-worldwide creative officer; Fred Posner, exec vp-mg dir, mktg planning & research; James Donius, sr vp-dir, research; Keith Gould, exec vp-mg dir, creative; John Walsh, exec vp-mg dir, creative; Earl Shorris, sr vp-creative; Bill Taylor, sr vp-exec creative dir; Aaron Cohen, sr vp-network bdcast dir; Frederick Dubin, network bdcast super.

Detroit office: Robert Kingsbury, sr vp-mg dir; Richard Prince, sr vp-mgmt super; R.C. Morrison, sr vp-mgmt super; Deborah Worrell, vp-acct super; David Wozniak, sr acct exec; Eric Paczewitz, asst acct exec; Robert Reuschle, vp-media dir; Richard Doyle, vp-assoc media dir; Tom Wehner, vp-assoc creative dir; Bruce Engelson, creative super-art dir; Cindy Sand-Sosin, traffic & prod mgr; Denise Mazzetti, media planner & buyer; David Bork, media planner & buyer; Rita McKay, admin coord.

Minority adv

Ad agency: The Mingo Group, New York: Samuel Chisholm, pres; Allan Corwin, exec vp-crea dir; William McGugins, vp-mgmt super.

■ Division

Buick Motor Division
Flint, Mich.

■ Marketing personnel

E.H. Mertz, vp-gm; R.E. Coletta, genl sales & svcs mgr; W.E. Powell, asst genl sales mgr-admin & DAC; J.J. Faerber, asst genl sales mgr, Southeast; W.K. Ramsey, asst genl sales mgr, West; F.H. Dorgin, asst genl sale mgr, Northeast; L.D. Robbins, asst genl sales mgr, svcs; D.E. Clark, genl mktg mgr; J.W. Qualman, genl dir-adv; M. Wright, mgr-natl adv; J.E. DeCou, dir-pr.

■ Brands

Buick Motor div

Ad agency: McCann-Erickson, New York. Robert James, chmn-ceo; John Dooner Jr., exec vp-worldwide, pres-N. American region.

Ad agency: McCann-Erickson, Troy, Mich. Gerald Atkin, exec vp-gm; John Mead, exec vp-exec creative dir; Richard Hill, sr vp-mgmt rep, Buick acct grp; Karen Ritchie, sr vp-media dir; Harold Randall, vp-acct super; George Bak, vp-grp acct super; Gary Kopicko, vp-acct super; John Holowaty, sr acct exec.

■ Division

Cadillac Motor Car Division
Detroit

■ Marketing personnel

John Grettenberger, gm; Peter Gerosa, genl sales & svcs mgr; Karl Pierce, asst genl sales mgr-admin; William Lewellen, asst genl sales mgr-svcs; Ellie Torre, asst genl sales mgr-mktg; Peter Levin, dir-adv; Mike Washington, asst mgr-shows & exhibits; Jerry Churchvara, asst mgr-dealer mktg assocs-west; William O'Neill, dir-pr.

■ Brands

Cadillac Motor Car div.

Ad agency: D'Arcy Masius Benton & Bowles, Bloomfield Hills, Mich. Ronald Monchak, mg dir; Robin Smith, deputy mg dir; Alexander Morton III, exec vp-mgmt super; George Rogers, sr vp-dir, media svcs; John Klinger, vp-group creative dir; John Johnson, vp-grp acct super; Timothy Copacia, vp-acct super; Gretchen Snow, vp-dir regional mktg programs; Patrick McCarthy, coo-Intergroup Mktg. & Promos.; William Haney, sr vp-dir, acct devel; Roger Bailey, vp-acct super CDMA; Jo Bourjaily, vp-mg dir, pr.

■ Division

Chevrolet Motor Division
Warren, Mich.

■ Marketing personnel

J.C. Perkins, gm; R.W. Starr, genl sales & svcs mgr; R.F. Sobrero, asst genl sales mgr-field; F.F. Raine, mktg mgr-trucks; S.D. McAvoy, mktg mgr-passenger car; Dannielle Colliver, mgr-passenger car adv; C.M. Robbins, mgr-truck adv; R.J. Kramer, dir-pr.

■ Brands

Chevrolet Motor div

Ad agency: Lintas:Campbell-Ewald, Warren, Mich. Richard O'Connor, chmn-ceo, vice chmn, Lintas:USA; Peter Dow, pres-coo; Louis Schultz, exec vp-dir, media svcs, Lintas:USA; Anthony Hopp, exec vp-Chevrolet acct dir; William Ludwig, exec vp-Chevrolet creative dir; Ronald Mitchell, exec vp-dir, agency planning; Thomas Thomson, sr vp-grp mgmt super, car adv; Ronald Geskey, sr vp-grp mgmt super, area mktg; Michael Ryan, sr vp-grp mgmt super, Geo; D.G. Connaughton, sr vp-grp management super, merch, Lintas:CECO Comms.

Chevrolet regional adv-West

Ad agency: Vic Olesen & Partners, Culver City, Calif. Victor Olesen, pres-partner; Irwin Davis, partner; Eric Davison, partner; William Donaldson, partner; Eric von der Lieth, gm-partner; Lee Wilson, media dir.

■ Division

Delco Electronics Corp.
Kokomo, Ind.

■ Marketing personnel

Donald Almquist, chmn-ceo; Thomas Evernham, dir-engineering & mktg; David Bastin, asst genl sales mgr-mktg & ventures; James Smidebush, dir-public affairs.

■ Brands

Delco Electronics

Ad agency: Lintas:Campbell-Ewald, Warren, Mich. Deborah Karnowsky, exec vp, co-creative dir; Robert Schirmer, exec vp-dir, client svcs; Dennis Connaughton, sr vp-mgmt super; Robert Hrtanek, vp-acct super; James Arthur, grp sr vp-creative dir; John Hartgen, sr vp-assoc creative dir; Robert Gervason, sr vp-assoc media dir; James Plagens, media planning super; John Farsakian, sr vp-dir, research; James Huchok, sr vp-mgr, strategic planning.

■ Division

Delco Products Division
Dayton, Ohio

■ Marketing personnel

Gerald Collins, gm; William Bender, dir-sales & mktg; Robert Chandler, genl dir-personnel & pr; Charles Kronbach, div mgr-comms & pr; Richard Westfall, mgr-sales promo; Richard Lee, sales mgr-suspension systems; Chester Pardee, sales mgr-wiper systems; Bruce Sing, mktg mgr; Gerald Furrey, sales mgr-chassis & body sealing systems.

■ Brands

Delco prods

Ad agency: Lintas:Campbell-Ewald, Warren, Mich. Richard O'Connor, chmn-ceo, vice chmn-Lintas:USA; Peter Dow, pres-coo; Louis Schultz, exec vp-dir, media svcs, Lintas:USA; Jan Homan, exec vp-strategic planning, Lintas:USA; Deborah Karnowsky, exec vp-co-crea dir; Robert Schirmer, exec vp-dir of client svcs; R. Hamilton, exec vp; Michael Brogan, vp; Jeff Jacobs, vp; Kelly Greenwald, acct exec.

■ Division

General Motors Acceptance Corp.
Detroit

■ Marketing personnel

J.R. Edman, chmn; W.J. Lovejoy, pres; H.L. Davis, grp vp-mktg; G.P. Whitlinger, exec vp-operations; C.A. Krauss Jr., vp-public affairs & adv.

■ Brands

General Motors Acceptance Corp.

Ad agency: Lintas:Campbell-Ewald, Warren, Mich. Richard O'Connor, chmn-ceo, vice chmn-Lintas:USA; Peter Dow, pres-coo; Louis Schultz, exec vp-dir, media svcs-Lintas:USA; Jan Homan, exec vp-strategic planning, Lintas:USA; Deborah Karnowsky, exec vp, co-creative dir; Robert Schirmer, exec vp-dir, client svcs; Jeffrey Seregny, sr vp-grp mgmt super; Michael Tuite, sr vp.

■ Division

GMAC Mortgage Corp.
Elkins Park, Pa.

■ Marketing personnel

G.C. Thomas, pres-ceo; F.A. Henderson, exec vp; R.A. Gillespie, vp-pr & adv.

■ Brands

GMAC Mortgage Corp.

Ad agency: Lintas:Campbell-Ewald, Warren, Mich. Richard O'Connor, chmn-ceo, vice chmn-Lintas:USA; Peter Dow, pres-coo; Louis Schultz, exec vp-dir, media svcs-Lintas:USA; Jan Homan, exec vp-strategic planning, Lintas:USA; Deborah Karnowsky, exec vp, co-creative dir; Robert Schirmer, exec vp-dir, client svcs; Jeffrey Seregny, sr vp-grp mgmt super; Michael Tuite, sr vp.

■ Division

General Motors Service Parts Operations
Detroit

■ Marketing personnel

A.M. Long, exec, svc parts operations; R.J. Sherman, genl dir-sales & mktg, US; D.P. Robison, dir-mktg; D.E. Poole, dir-pr.

■ Division

AC-Delco
Detroit

■ Marketing personnel

A.H. Schwerzel, genl sales mgr-warehouse distributors; G.S. Cashion, genl sales mgr-natl accts; E.C. Hunt, sales mgr-warehouse distributors, West; J.M. McKenzie, sales mgr-warehouse distributors, East; C.A. Lamberson, area sales mgr-natl accts, East; P.D. Cody, area sales mgr-natl accts, West; W.A. Carlson, adv & sales promo mgr; D.J. Smith, mktg mgr.

■ Brands

GM Service Parts Operations

Ad agency: Lintas:Campbell-Ewald Co., Warren, Mich. Richard O'Connor, chmn-ceo, vice chmn-Lintas:USA; Peter Dow, pres-coo; Louis Schultz, exec vp-dir, media svcs-Lintas:USA; Jan Homan, exec vp-strategic planning, Lintas:USA; Deborah Karnowsky, exec vp, co-creative dir; Robert Schirmer, exec vp-dir, client svcs, Jeffrey Jacobs, sr vp-mgmt super; Peter Toundas, acct super; Phillip Ruffino, Lisa Saks, acct execs.

Ad agency: Lintas:Ceco Communications, Warren, Mich. Bob Henry, sr vp-grp dir, mktg comms; Dale McAfee, vp-acct dir, mktg comms; Paul Curtis, vp-acct super, mktg comms; Christine Orth, acct exec-mktg comms.

■ Division

GM Parts
Detroit

■ Marketing personnel

J.T. O'Connor, genl sales mgr; E.J. Carey, sales mgr-East; S.D. Segalini, sales mgr-central; E.L. Schreitmueller, sales mgr-West; K.F. Robinson, adv mgr; F. Pardo, mktg mgr.

■ Brands

GM Parts

Ad agency: D'Arcy Masius Benton & Bowles, Bloomfield Hills, Mich. John Bowmen, chmn-coo; Ronald Monchak, mg dir; Theodore Teegarden, exec vp-mgmt super; Charles Brandt, vp-grp acct super; Cheryl Morgan, John Ottman, acct execs; Lisa Podolski, acct mgr.

■ Division

GMC Truck Division
GMC Truck & Bus Group
Pontiac, Mich.

■ Marketing personnel

John Rock, gm; Ray Rota, genl sales mgr; Richard Lee, dir-mktg; Donald Huss, grp dir-public affairs staff; Thomas Klipstine, pr dir; Sandra Dellinger, adv & publications mgr.

■ Brands

GMC Truck div

Ad agency: McCann-Erickson, Troy, Mich. Gerald Atkin, exec vp-gm; John Mead, exec vp-exec creative dir; Michael Wilberding, sr vp-mgmt rep; Jan Woznick, sr vp-dir, mktg svcs; Karen Ritchie, sr vp-dir, media svcs; Glenn Sutherland, sr acct exec; Barbara Gaston, vp-pr coord; John Vaglia, vp-media dir; Noel Doran, research dir.

■ Division

GM Hughes Electronics Corp.
Detroit

■ Marketing personnel

Robert Schultz, chmn-pres; J. Bruce McCristal, dir-public affairs.

■ Brands

GM Hughes electronic products

Ad agency: Lintas:Campbell-Ewald, Warren, Mich. Deborah Karnowsky, exec vp, co-creative dir; Robert Schirmer, exec vp-grp dir, acct svcs; Edwin Acker, sr vp-media dir; John Hartgen, sr vp-creativ grp head; Harold Margolis, grp sr vp-strategic planning & research; Michael Tuite, sr vp-mgmt super.

■ Division

Hughes Aircraft Co.
Los Angeles

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■ Marketing personnel

Dr Malcolm Currie, chmn-ceo; Kenneth Richardson, pres; Lucius Gregg, staff vp-corp comms; Alma Gonzalez, mgr-corp adv

■ Brands

Hughes aerospace products

Ad agency: Eisaman, Johns & Laws Advertising, Los Angeles. Dennis Coe, pres; Adrienne Hall, vice chmn; Consuelo Gomez, vp-mgmt super; Karyn Kremen, acct super; Carrie Adams, acct coord; Eric Hanson, assoc creative dir; Rod Damrow, sr vp-media dir; Dan McCabe, media super

Ad agency: Bernard Hodes Advertising, Encino, Calif. Steve Petersen, exec vp-branch mgr; Susan Edwards, vp-client svcs; Dave Evans, vp-mgmt super; Linda Kimble, mgr-client svcs; Michelle Skerry, vp-exec creative dir; Steve Mitchell, vp-creative dir; Brenda Day, sr acct coord; Gerri Nesfield, acct coord; Anna Czene, acct exec

■ Division

Hughes Communications
Los Angeles

■ Marketing personnel

Stephen Petruccik, pres-ceo; Penelope Longbottom, dir-adv & public affairs; Linda Pierson-Kahn, mgr-mktg comms

■ Brands

Hughes satellite communication services

Ad agency: House & Co., New York. Edgar Jay House, pres; Gary McKee, vp-creative dir; Gloria Kestenbaum, mktg & media dir

■ Division

Motors Insurance Corp
Detroit

■ Marketing personnel

J.R. Edman, chmn-ceo; J.J. Pero, pres; G.S. Barquist, vp-mktg & devel; C.A. Krauss Jr., vp-public affairs & adv

■ Brands

Motors Insurance Corp.

Ad agency: Lintas:Campbell-Ewald, Warren, Mich. Richard O'Connor, chmn-ceo, vice chmn-Lintas USA; Peter Dow, pres-coo; Louis Schultz, exec vp-dir, media svcs-Lintas USA; Jan Homan, exec vp-strategic planning, Lintas USA; Deborah Karnowsky, exec vp, co-creative dir; Robert Schirmer, exec vp-dir, client svcs; Jeffrey Seregny, sr vp-grp mgmt super; Michael Tuite, sr vp

■ Division

Oldsmobile Division
Lansing, Mich

■ Marketing personnel

J.M. Losh, vp-gm; A.R. Buenz, dir-pr; D.E. Lahti, genl sales & svc mgr; C.E. Strong, exec asst to genl sales & svc mgr; M.A. Grimaldi, genl mktg mgr; R.L. Ross, dir-field & consumer mktg; D.H. Parkinson, strategic mktg mgr; G.W. Card, adv mgr; R.J. Romero, sales promo mgr

■ Brands

Oldsmobile div

Ad agency: Leo Burnett USA, Southfield, Mich. G. Ted Jordan Jr., sr vp-client svcs dir; N.R. Lichtman, J.F. Phifer, R.M. Abell, vps-acct dirs; W.E. Morden Jr., vp-creative dir; R.J. Wisniewski, vp-media dir

■ Division

Pontiac Division
Pontiac, Mich

■ Marketing personnel

John Middlebrook, vp-gm; Elwood Schlesinger, genl sales & svc mgr; Robert Benson, dir-mktg & prod planning; Kirklin Hobolth, mgr-personnel admin; Edward Lechtzin, dir-pr; John Losch, dir-fleet sales; Joseph Hendrix, asst genl sales & svc mgr-customer svc; Howard Christie, asst genl sales & svc mgr-central; Dwight Logie, asst genl sales & svc mgr-mktg; E.H. (Gar) Smith, dir-svc & customer satisfaction; Charlene Curry, mgr-customer assistance; Timothy Maloney, mgr-natl dealer adv; H.S. Johnston, mgr-merch; James Vancik, mgr-mktg comms

■ Brands

Pontiac div

Ad agency: D'Arcy Masius Benton & Bowles, Bloomfield Hills, Mich.: Ronald Monchak, mg dir; Robin Smith, deputy mg dir; Stephen Kopcha, exec vp-exec creative dir; John Greening, sr vp-dir, strategic planning; Charles Stannard, sr vp-dir, research & mktg; George Rogers, sr vp-dir, media svcs; Robert Brownell, vp-dir, prod & traffic; Ronald Wroblewski, vp-corp mgr, spot bdcast; R. Patrick McCarthy, coo, Intergroup Mktg & Promos.; William Haney, mg dir, DMB&B Public Relations; Richard Ross, pres-ceo, Intergroup Mktg & Promos.; Mark Gjovik, sr vp-mgmt super; Mike Valant, vp-grp acct super; Art Pepin, vp-acct super; Noel Nauber, sr vp-grp creative dir; Mark Zapico, vp-assoc creative dir; Richard Halladay, sr acct exec

■ Division

Saginaw Division
Saginaw, Mich

■ Marketing personnel

James Ault, gm; A.J. Deeds, mgr-mktg comms; Gerald Holmes, dir-public affairs

■ Brands

Steering components

Ad agency: Leo Burnett Co., Southfield, Mich. G. Ted Jordan Jr., sr vp-client svc dir; W.E. Morden Jr., vp-creative dir; N.R. Lichtman, vp-acct dir; Robert Wisniewski, vp-media dir; Karen Campbell, media super

Ad agency: Scott Miller Group, Saginaw, Mich. Thomas Leinberger, pres; Randall Young, vp-creative dir; Terry Grenell, vp-mktg dir

■ Division

Saturn Corp
Troy, Mich

■ Marketing personnel

Richard LeFauve, pres; Donald Hudler, vp-sales, svc & mktg; Thomas Shaver, dir-mktg svcs; Bruce MacDonald, vp-corp comms; Laurie Kay, dir-corp comms, Tennessee Operations

■ Brands

Saturn Corp.

Ad agency: Hal Riney & Partners, San Francisco. Hal Riney, chmn-ceo

RANK: 61

Gillette Co.

Boston

Ad spending: **$185.1** million

■ U.S. ad spending ($ in thousands)

By media	1989	1988	% chg
Magazine	26,728	15,337	74.3
Sunday magazine	264	363	(27.3)
Newspaper	0	533	NA
Outdoor	6	340	(98.2)
Network TV	46,615	46,540	0.2
Spot TV	4,966	5,243	(5.3)
Syndicated TV	9,382	6,415	46.2
Cable TV networks	9,187	8,226	11.7
Network radio	495	428	15.5
Spot radio	137	115	18.7
Measured media	97,778	83,539	17.0
Unmeasured	87,300	74,600	17.0
Total	185,078	158,139	17.0

By top brands	1989	1988	% chg
Gillette shaving products	29,441	23,329	26.2
Silkience shampoo & conditioner	12,566	0	NA
Braun shaving equipment	10,649	8,350	27.5
Soft & Dri deodorant & antiperspirants	8,752	11,413	(23.3)
Right Guard deodorant & antiperspirants	8,079	11,839	(31.8)
Toni home permanents	7,599	0	NA
Waterman writing instruments	4,946	1,838	169.1
Dry Idea antiperspirants	3,616	11,616	(68.9)
Oral-B dental products	2,964	2,445	21.2
Braun kitchen appliances	2,884	3,045	(5.3)

■ Sales & earnings ($ in millions)

Worldwide	1989	1988	% chg
Sales	3,819	3,581	6.6
Earnings	285	269	6.0

U.S.	1989	1988	% chg
Sales	1,348	1,251	7.7
Profit from operations	219	229	(4.4)

Division sales	1989	1988	% chg
Blades & razors	1,238	1,147	7.9
Toiletries & cosmetics	1,036	1,019	1.6
Stationery prods	430	385	11.8
Braun prods	892	824	8.3
Oral-B prods	219	202	8.6
Other	4	5	(14.9)

■ Annual review

Gillette Co. made a big splash in 1990 with its Sensor razor which grabbed a 5.8% share of the $700 million-plus U.S. wet-razor market by April, its fourth month on the market.

Sensor will boost Gillette's dominance in the wet-razor category, despite anticipated cannibalization of other Gillette brands like Atra Plus. The category is expected to grow by $100 million within the year because of Sensor, industry analysts say.

The Boston-based company in 1989 had an estimated 64% share, followed by Warner Lambert Co.'s Schick with more than 16%. Bic, which markets disposables, had 9.8%, and Wilkinson had 2%.

Gillette ran into supply problems after sales responded to teaser ads for Sensor during the Super Bowl. Sensor's launch in Italy and Spain was postponed. Gillette even shaved part of Sensor's ad spending allocated for the first half to the second when supply improves.

Sensor, Gillette's only shaving system advertised in 1990, was scheduled to have a worldwide marketing budget of $175 million. But with sales continuing to soar, industry observers now question whether Gillette will shell out the entire amount, especially since inventories are still low.

Andrew Shore, first VP at Prudential-Bache Securities, estimates Gillette spent $60 million on Sensor advertising, so far. "There is no way Gillette can spend, or should spend, the remaining $115 million marketing dollars."

Whether Sensor's advertising kicks back in or not, the product will push Gillette's 1990 ad volume far above 1989's $185 million, up 17%. Gillette concentrated its media spending once again on network TV (47.7%) and in magazines (27%), the latter medium getting a 74.3% increase in 1989 to $26.7 million.

In the blade and razor business, Gillette Atra drew the biggest expenditure, $15.1 million in 1989, down 25%. With Gillette moving toward shaving systems in its men's lines, Good News disposables drew no media spending versus $4 million in 1988. Daisy disposable shavers for women pulled $6 million, up from $2.7 million, according to LNA/Arbitron.

Gillette tried to expand its disposable business by acquiring Wilkinson Sword's U.S. disposable razor business from Swedish Match A.B., but the Justice Department nixed the move on antitrust grounds. Wilkinson's international business outside the European Community was acquired, which also quieted a loud dispute over comparative ad claims Wilkinson made against Gillette in TV ads for its Ultra Glide system.

Gillette refocused its toiletries and cosmetics business in early 1990 by divesting several European skin and haircare operations, including such brands as Silkience shampoo and Aapri skincare. The company also merged its toiletries and blade and razor divisions, forming the North Atlantic Shaving and Personal Care Division.

Gillette pared media spending on its major toiletries lines: Dry Idea antiperspirants measured $3.6 million, down from $11.8 million, Right Guard drew $8.1 million, down 32% and Soft & Dri attracted $8.8 million, down 1.5%.

Gillette plans to extend its popular White Rain haircare line to body lotions. White Rain now has a 4.4% unit share of the haircare market, second to Helene Curtis' Suave. Its 1989 media spending was only about $1 million compared to $8.5 million for Suave. In supermarkets, White Rain's share in conditioner/rinses carried it to a 4.1% dollar share, up from 3.6% in 1988 as Suave dropped from 8.7% to 8.1%. White Rain's shampoo dollar share in supermarkets was 3.3% in 1989, down from 4.4%.

Among stationery products, Waterman pen got its first TV commercial since Gillette acquired the brand in 1987. Waterman's media tally was $5 million, up from $1.8 million. McCann-Erickson Worldwide, New York, handles.

Gillette in late 1989, named Ayer Direct, the first direct marketing agency of record for personal care products.

■ Headquarters

Gillette Co
Prudential Tower Building
Boston, Mass. 02199
(617) 421-7000

■ Marketing personnel

Michael Nadelberg, vp-adv svcs; Thomas Lux, dir-media; Louise Baranowsky, mgr-media buying; Donald McAllister, mgr-media planning; John Walp, dir-adv prod. North Atlantic Grp: Peter Hoffman, Bruce Cleverly, vps-mktg; Robert Leger, vp-sales & mktg, Shaving Div; Michael Casner, dir business mgmt, Shaving Div; Maryanne Pesce, dir-mktg, Personal Care Div. Stationery Prods Grp: Stephen White, vp-business strategy, new prods & acquisitions; Michelle Stacy, vp-mktg, Stationery Prods Div. Oral-B Div: Thomas Farrow, genl mgr-consumer prods div

■ Brands

Shaving Div: Sensor, Atra line, Trac II, Good News, Daisy. Personal Care Div: Soft & Dri, Dry Idea

Ad agency: BBDO, New York. Symon Marlow, exec vp-sr mgmt rep, Shaving Div; Michael Paxton, sr vp-mgmt rep, Shaving Div; Bruce Myers, exec vp-dir acct mgmt, Prsnl Care Div

Personal Care Div: Toni Epic Waves, Right Guard

Ad agency: N W Ayer, New York. David Gantman, sr vp-exec acct dir; James Haag, vp-mgmt super

Stationery Prods Div: Paper Mate writing instruments, Waterman writing instruments, Liquid Paper

Ad agency: McCann-Erickson, New York. David Weiss, vp-grp head dir

Oral-B Div: Ultra toothbrushes

Ad agency: BBDO, Los Angeles. Terry Bowman, sr vp-mgmt super

■ Subsidiary

Braun, Inc
Lynnfield, Mass

■ Marketing personnel

Richard Cantwell, dir-mktg, shavers, personal care & clocks; Christina Steele, mktg mgr-shavers, personal care & clocks; Robert Cronon, mktg mgr-household prods; Xanthe Samaras, prod mgr-beverage prods; Alex Resly, prod mgr-haircare & dental prods; Alex McKinnon, assoc prod mgr-clocks & shavers

■ Brands

Shavers, personal care, clocks, household products

Ad agency: Lowe & Partners, New York. Barry Linsky, exec vp-dir, acct mgmt; Dan O'Donnell, sr vp-mgmt super; Mara Gardner, vp-acct super

RANK: 64

Goodyear Tire & Rubber Co.

Akron, Ohio

Ad spending: **$168.3** million

■ U.S. ad spending ($ in thousands)

By media	1989	1988	% chg
Magazine	11,118	12,727	(12.6)
Sunday magazine	596	62	869.8
Newspaper	18,631	2,027	819.2
Outdoor	180	108	67.7
Network TV	15,619	20,657	(24.4)
Spot TV	10,039	10,926	(8.1)
Syndicated TV	181	859	(78.9)
Cable TV networks	1,022	874	17.0
Network radio	6,139	214	NA
Spot radio	3,230	760	324.9
Measured media	66,755	49,212	35.6
Unmeasured	101,500	74,800	35.7
Total	168,255	124,012	35.7

By top brands	1989	1988	% chg
Goodyear tires	43,364	27,777	56.1
Goodyear automotive service store	17,774	19,729	(9.9)
Kelly-Springfield tires	2,084	616	238.1

■ Sales & earnings ($ in millions)

Worldwide	1989	1988	% chg
Sales	10,869	10,810	0.5
Earnings	207	350	(40.9)

U.S.	1989	1988	% chg
Sales	6,421	6,361	1.0
Operating income	491	439	11.7

Division sales	1989	1988	% chg
Tires, related	8,849	8,897	(0.5)
General products	2,009	1,905	5.4
Oil transportation	12	8	49.4

■ Annual review

As Goodyear's 35% share of the North American new tire sales market, worth an estimated $18.3 billion, began to erode last year in the wake of a slump in new car sales, company officials stepped up efforts to increase consumer brand awareness in the replacement market.

Goodyear, still No. 1 in the U.S., lost its position as the world's leading tire marketer when France's Groupe Michelin bought Uniroyal-Goodrich earlier this year producing a combined total share of 20.5% compared to Goodyear's 17.5%. The conglomerate has an estimated 26% share of the North American market.

The decision to emphasize brand building led Goodyear to pull its $40 million domestic ad account from Young & Rubicam late last year and return it to J. Walter Thompson USA, Detroit, which had lost the account in 1987. JWT never lost the estimated $12 million-to-$15 million performance tire account.

JWT's first efforts in the brand-building campaign were a series of four 30-second spots that began airing on network TV earlier this year. The emotion-laden ads were based on the theme, "The best tires in the world have Goodyear written all over them."

Under Y&R's tutelage, Goodyear became a major spender on network and spot radio and newspapers—intimate media suited for building sales in the replacement market—at the expense of network TV. The 1989 surge in the three media contributed $24 million in new ad dollars to the media mix, as network TV declined $5 million.

The company's concentration on moving tire sales is reflected in its media swing away from service centers. The centers, which drew 40% of the measured total in 1988, dropped to 27% in 1989, as Goodyear and Kelly-Springfield brand tires claimed the rest in both years.

According to tire industry analyst Harry W. Millis of McDonald & Co., Cleveland, Goodyear's tire sales increased 1.1% worldwide and 3.3% domestically in the first quarter of 1990.

In the face of a 27% drop in original equipment sales, Mr. Millis said, those sales increases indicate that Goodyear has made sharp gains in the replacement tire market. The volume of original equipment sales is inexorably tied to car sales, which in late 1989 began to drop due to a glut of new cars and consequent cutback in production.

The U.S. tire replacement market for passenger cars in 1989 was led by Goodyear brands (including Kelly-Springfield and others) with a 30% share.

James DeVoe, who had been VP-advertising worldwide, left Goodyear this past spring to become president of Jayme Organization in Cleveland. His duties at Goodyear were assumed by Davis Jones, director of retail advertising, and Donald Clark, director of international advertising.

■ Headquarters

Goodyear Tire & Rubber Co
1144 E. Market St
Akron, Ohio 44316
(216) 796-2121

■ Marketing personnel

Davis M. Jones, dir-adv, N. America, & certified auto svc; Paul Suloff, mgr-adv, truck, farm & specialty tires; George S. Drop, mgr-major mktg programs; Dave Lenox, adv mgr-field productions; Larry Pencock, mgr-retail project control; James T. Manning, mgr-adv, genl productions; John P. Perduyn, vp-public affairs

■ Brands

General productions, retail promo assignments

Ad agency: Malone Advertising, Akron, Ohio. Joan Peloso, acct super; Susan Henry, acct exec-genl productions; Joseph A. Mazzagotti, vp-mgmt super; Donna Hessel, acct exec

Goodyear tires-broad market, Eagle High Performance tires, Wrangler Truck tires, race enthusiast adv, commercial truck & farm tires, natl retail adv & service

Ad agency: J. Walter Thompson USA, Detroit. Clark Wood, mgmt super-broad market & natl retail adv; Austin Craig, mgmt super-Eagle, Wrangler Truck, race enthusiast, commercial truck & farm; Steve Stepanek, mgmt super-brand devel; Pamela Csatari, acct super-broad market; Frank Brooks, acct super-Eagle, Wrangler Truck & race enthusiast; Robert Toussaint, acct super-commercial truck & farm; Bruce Phillips, Bob Haverback, acct supers natl retail adv & svc; Bob Brown, acct exec-broad market; Diane Wisniewski, acct exec-Eagle, Wrangler Truck & race enthusiasts adv; Mike Sullivan, acct exec-commercial truck & farm

Corp adv

Ad agency: Brouillard LGFE, New York. Doug Longmire, sr vp-acct dir; Kate Gomez, vp

Western region retail adv

Ad agency: HDM, Los Angeles. Chuck Reynolds, pres; Fred Koplin, mgmt super; Jean Gillett, sr acct exec

■ Division

The Kelly Springfield Tire Co
Cumberland, Md

■ Marketing personnel

B.D. Robbins, vp-sales & mktg; J.L. Florin, dir-adv

■ Brands

Kelly Tires

Ad agency: Marcus Advertising, Cleveland, Ohio. Don Campbell, exec vp; Dick Heislman, acct super; Carolyn Yarnell, traffic mgr; Tracey Kleibscheidel, assoc media dir; Dawn Matsko, acct asst

■ Division

Lee Tire & Rubber Co
Cumberland, Md

■ Marketing personnel

T.E. Greenwood, vp-sales; Gardner Bates, mgr-comms

■ Brands

Lee Tires

Ad agency: Winchell Marketing Communications, Philadelphia. Carl Shaifer, chmn-acct mgr; Tom Rigg, prodn mgr; Lisa McKenna, media coord

RANK: 5

Grand Metropolitan

London

Ad spending: **$823.3** million

■ U.S. ad spending ($ in thousands)

By media	1989	1988	% chg
Magazine	69,286	61,115	13.4
Sunday magazine	4,594	2,829	62.4
Newspaper	7,880	6,614	19.1
Outdoor	8,106	6,501	24.7
Network TV	148,216	95,823	54.7
Spot TV	75,684	126,956	(40.4)
Syndicated TV	25,351	18,751	35.2
Cable TV networks	5,578	4,154	34.3
Network radio	3,795	0	NA
Spot radio	26,575	21,090	26.0
Measured media	375,074	343,832	9.1
Unmeasured	448,200	410,800	9.1
Total	823,274	754,632	9.1

By top brands	1989	1988	% chg
Burger King restaurants	170,350	152,817	11.5
Pearle Vision Centers	29,163	21,625	34.9
Pillsbury mixes & baking products	17,922	24,733	(27.5)
Pillsbury breads & rolls	15,573	8,693	79.1
Alpo dog food	12,492	13,224	(5.5)
Smirnoff vodkas	10,734	5,966	79.9
Absolut vodka	10,622	7,687	38.2
Green Giant vegetables	9,698	9,677	0.2
J&B scotch whiskys	7,021	6,523	7.6
Grand Marnier liqueur	5,870	4,660	26.0

■ Sales & earnings ($ in millions)

Worldwide	1989	1988	% chg
Sales	15,567	10,682	45.7
Earnings	864	744	16.1

U.S.	1989	1988	% chg
Sales	6,220	3,115	100.0
Trading profit	661	386	71.2

Division sales	1989	1988	% chg
Food	2,870	2,219	29.3
Drinks	4,661	4,573	1.9
Retailing	3,415	2,960	15.4

■ Notes: Sales and earnings figures are converted at the rate of 1.67424 and 1.7717 dollars to the pound in 1989 and 1988, respectively

■ Annual review

motional spending for 1989 went to bolster the brand identity of the newly-acquired No. 2 fast-food giant, Burger King, as well as Pillsbury, Green Giant and Haagen-Dazs brands.

The company succeeded in divesting several sizable food groups to ease its corporate debt, but failed to sell Alpo Petfoods, which it had put on the block. Alpo is now back in the Grand Met camp.

The largest single advertisers among Grand Met U.S. holdings, Burger King, with $170 million in measured spending, saw an 11.5% jump in its media budget. Burger King's advertising reflected the new marketing strategy of making repeated and significant menu changes.

The effort features other brand name products at the restaurants, such as (Paul) Newman's Own salad dressing and Domino's pizza, along with special versions of its hamburger and sandwich offerings. Burger King also secured the service of the animated spokesfamily The Simpsons.

The fast-food marketer ventured into the public service arena with a campaign of docu-ads with a "stay in school" message targeted at teens on Whittle Communications' Channel One in-school TV network.

New Pillsbury Foods COO Paul Walsh, formerly exec VP of Grand Met's U.S. operations, targets a 60% ad spending increase for his divison, which includes the independent operating units of Pillsbury bakery products, Green Giant vegetables, Pizza and Haagen-Dazs ice cream.

To help boost Pillsbury's core baking businesses, Grand Met launched a $30 million ad campaign featuring the Pillsbury Doughboy, who was newly energized courtesy of state-of-the-art animation. The campaign, representing the company's first multi-product coordinated effort in six years, was orchestrated by Leo Burnett USA. Unleashed in the third quarter 1989, it featured refrigerated dough products, quick bread mixes and cake mixes.

Green Giant doubled its ad budget to $15 million during 1989, and has targeted an additional increase in spending to $20 million for fiscal year 1991, which begins Oct. 1, 1990, according to division President Gary Klingl.

Grand Met's drinks sector, International Distillers & Vintners, accounted for seven of the top 34 selling alcoholic beverages in the country. Its leader is the No. 2 liquor brand—Smirnoff vodka—a Heublein product. With 7.8 million case depleted, it is just slightly behind top-selling Bacardi rum with 8 million cases depleted, according to figures compiled by John C. Maxwell Jr., Wheat, First Securities analyst. Total measured spending on Smirnoff, the top-selling vodka in the $3 billion category, climbed by 79% to $10.7 million.

As a group, International Distillers & Vintners is the country's leading liquor marketer, though Seagram Co. has the largest individual company share with 14%. Heublein is second with 13.8% while Carillon is eleventh with a 2.2% share. Measured spending by IDV operating companies, Paddington, Carillon and Heublein, increased by 1.2% to $67.3 million.

Mid-1990, Heublein, citing a desire for "a new strategic direction for the brands as the beverage alcohol business becomes increasingly competitive," severed ties with longtime agency Young & Rubicam. It awarded its account to Goodby, Berlin & Silverstein, San Francisco.

While solidifying its position in key market segments, Grand Met also has moved to improve its cash position by streamlining some of its holdings in softening markets.

In mid-1989, it sold Pillsbury's Bumble Bee Seafoods and Van de Kamp's Frozen Foods, which company officials did not see as being a key strategic fit with other Pillsbury operations. Earlier this year it disposed its All Brand Importers, which markets Foster's Lager, Moosehead and Dos Equis, to Guinness Import Co. The brands had been hurt by declines in the $3.5 billion imported beer market.

Alpo Petfoods, long part of Grand Met's U.S. properties, spent heavily in advertising to launch Alpo's venture into cat food late last year. The company moved into both canned and dry cat food with licensed cartoon character Garfield as presenter. Alpo Premium (canned) and Alpo Gourmet Dinner (dry) claimed sales of $17.7 million and $7.4 million, respectively, representing about 1% of the $2.4 billion cat food market, according to Mr. Maxwell.

The move into cat food by Alpo put it into a faster-growing pet category than dog food, which grew only 3.8% to $3.63 billion in 1989, although volume levels declined. Cat food increased 6.4% in dollars.

Alpo canned dog food held off a strong surge by Kal Kan Pedigree to claim top spot in that $1.06 billion segment with sales of $273.5 million, up 4.2%, for a market share of 25.9%, slightly down from 26.5% in 1988. Pedigree moved up from a 22% to a 24.5% share. Alpo was backed by $15.2 million in media advertising, down 19.6%. Kal Kan Pedigree spending was $16.3 million.

■ **Headquarters**

Grand Metropolitan PLC
11-12 Hanover Square
London W1A 1DP

Grand Metropolitan
200 South Sixth St.
Minneapolis, Minn. 55402
(612) 330-4966

■ **Corporate personnel**

Ian A. Martin, chmn; J. Howard Chandler, exec vp-legal, personnel & external affairs; Robert C. Lowes, exec vp-cfo;

■ **Division**

Alpo Petfoods
Allentown, Pa.

■ **Corporate personnel**

H. Robert Hawthorne, pres-Alpo; Katherine Hillman, pres-coo, Jim Dandy Co.

■ **Marketing personnel**

H. Robert Hawthorne, pres-Alpo; Katherine Hillman, pres-coo, Jim Dandy Co.

■ **Marketing personnel**

Robert Beckwith, vp-sales.

■ **Brands**

Alpo canned & dry dog food, Alpo Dinner canned & dry dog food, Alpo Jerkey Bits, Alpo Light canned dog food, Alpo puppy food, Alpo Snaps treats, Alpo stew biscuits dog food, Bi-ta dog biscuits, Beef Bites treats, Tabby cat food

Ad agency: Weightman Inc., Philadelphia. John Goodchild, pres; Mark Plamondon, exec vp; Paul Burger, mgmt super; Neil Harrison, sr vp-media.

■ **Division**

Burger King Corp.
Miami, Fla.

■ **Corporate personnel**

Ian A. Martin, chmn; Barry Gibbons, ceo; Fredy M. Dellis, pres-Burger King, Intl; Robert J. Stetson, coo-Burger King USA.

■ **Marketing personnel**

G.L. Langstaff, exec vp-mktg; C. Scott Connor, exec vp-operations, Southeast; David I. Geddes, exec vp-operations, West.

■ **Brands**

Burger King brand identity

Ad agency: D'Arcy Masius Benton & Bowles, New York. Roy Bostock, pres; Steve Gramps, sr vp-acct dir.

Burger King brand retailing

Ad agency: Saatchi & Saatchi Advertising, New York. Edward L. Wax, ceo; Harvey Hoffenberg, exec vp.

■ **Division**

Pillsbury Foods
Minneapolis

■ **Corporate personnel**

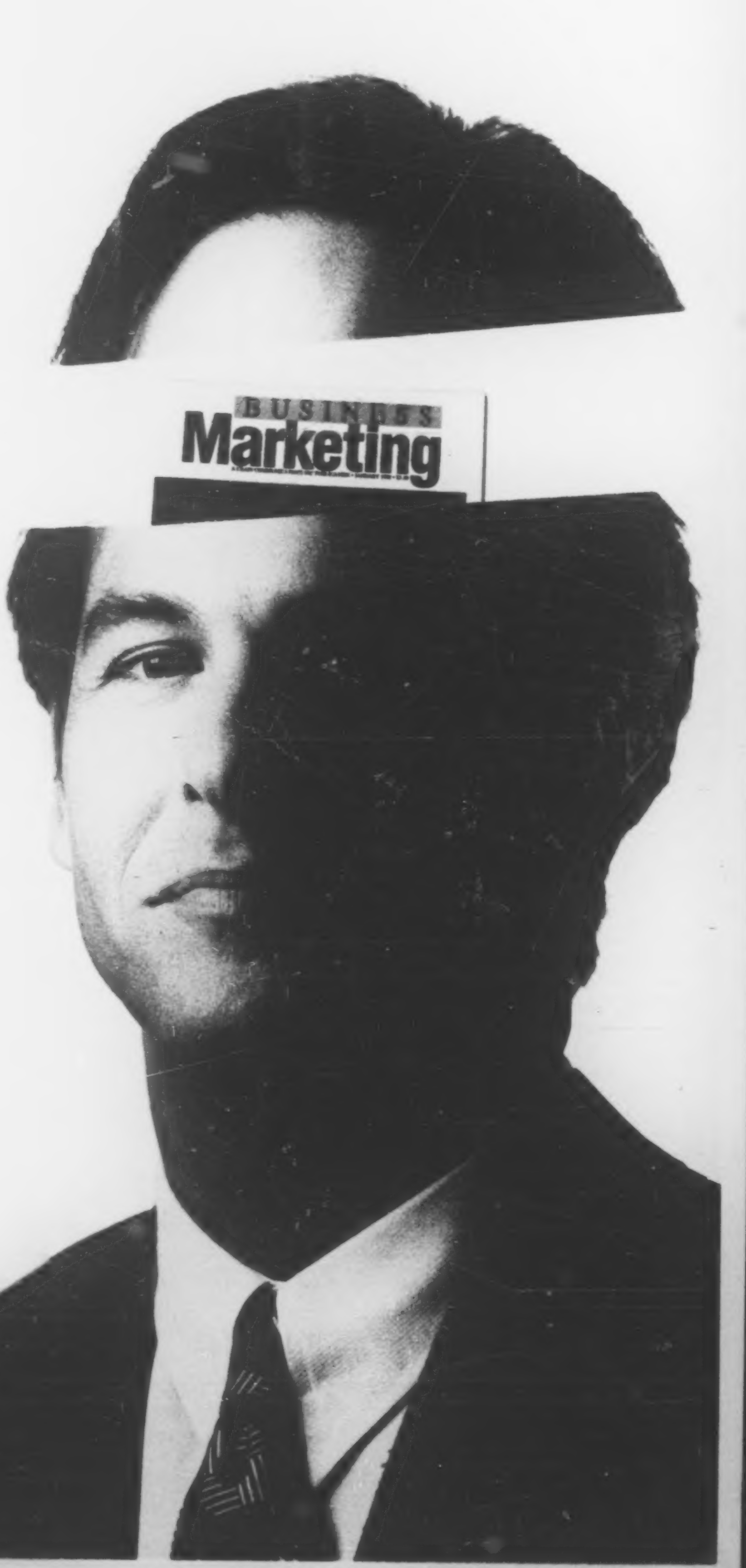
Ian A. Martin, chmn-ceo; Paul S. Walsh, divisional coo.

■ **Marketing personnel**

Michael J. Paxton, pres-Bakery Prods Div; Gary Klingl, pres-Vegetable Grp.; Peter Thompson, div ceo, Haagen-Dazs ice cream; Ove Sorensen, pres, Haagen-Dazs ice cream, sr vp, Haagen-Dazs Intl; Jim Reid-Anderson, sr vp-cfo, Haagen-Dazs; Beth Bronner, sr vp-shoppes, Haagen-Dazs; John Schwab, pres-Pizza Div; Russell J. Bragg, chmn-ceo, Grand Met Food Service USA; Don E. Loadman, chmn-Pillsbury Canada; John Speirs, sr vp-mktg; Greg Lincoln, media dir.

■ **Brands**

Cakes & frosting mixes, Green Giant products,



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Marketing

refrigerated products, Hungry Jack potatoes & pancakes, Pillsbury microwave products, Totino's pizza, Jeno's pizza

Ad agency: Leo Burnett USA, Chicago. Jan Klug, acct super; John Miller, sr vp-grp acct dir; Edson Sessions, sr vp-acct dir.

Ad agency: Campbell-Mithun-Esty, Minneapolis. Madeline Betsch, exec vp-client svcs; Steve Gordon, sr vp-mgmt super.

Ad agency: Chiat/Day/Mojo, Toronto. Tony Wright, vp-mgmt super.

Haagen-Dazs

Ad agency: Doyle Graf Raj, New York. Marianne Collins, vp-mgmt super; Sarah Hiner, acct exec.

■ Division

Pearle Health Services
Dallas, Texas

■ Marketing personnel

Howard Stanworth, pres-ceo; John Antioco, coo; Joe Dono, sr vp-mktg; Debbie Tippett, dir-mktg; Randy Henry, dir-field mktg; Barbara Pijot, creative mktg mgr.

■ Brands

Pearle Vision Centers, Texas State Optical Service

Ad agency: Foote, Cone & Belding, Chicago. Joan Black, sr vp-grp acct dir; Bob Kubis, vp-acct dir.

■ Division

International Distillers & Vintners
Paddington Corp
Fort Lee, N.J.

■ Corporate personnel

G. William Seawright, pres-ceo.

■ Marketing personnel

Roger Slone, sr vp-mktg; Joe McKenna, sr vp-human resources; Anthony Foglio, sr vp-sales; Kevin Mc Hugh, vp-sales, Eastern region; Keith Greggor, brand dir-Bailey's Original Irish Cream, Cinzano & Amaretto di Saronno; David Margolis, brand dir-J&B; Jim Signorile, grp mktg dir-Malibu rum, Cinzano, Rumple Minze & Amaretto di Saronno; James Longley, brand mgr-Cinzano; Jamie Friedman, brand mgr-Rumple Minze; Mark Teasdale, brand mgr-Amaretto di Saronno & Bailey's Original Irish Cream.

■ Brands

Bailey's Original Irish Cream liqueur, Cinzano vermouth, Sambuca Romana

Ad agency: Berenter, Greenhouse & Webster, New York. Bill Berenter, chmn; Martin Greenhouse, exec vp; Barrie Webster, pres.

Amaretto di Saronno, Malibu Rum, Rumple Minze schnapps

Ad agency: Geer, DuBois, New York. Dave Eastbrook, vp-mgmt super; Robert Rosengarten, vp-acct super; Dawn Dresher, sr acct exec.

J&B rare scotch, Knockando scotch, Metaxa brandy

Ad agency: Grace & Rothschild, New York. Gordon Sleeper, gm; Tom White, mgmt super; Gene Wilhoft, dir-media svcs; David Corr, creative dir.

■ Division

Carillon Importers
Teaneck, N.J.

■ Corporate personnel

Michel Roux, pres-ceo; Jerry Ciraulo, vp-finance, admin.

■ Marketing personnel

Dick McEvoy, sr vp-mktg & sales; Ernie Capria, vp-dir, mktg svcs; Pamela Taylor, mgr-pr.

■ Brands

Absolut vodka, Absolut Peppar, Absolut Citron, Bombay gin, Champagne Devonage, Catulio red & white wine, Cremant rose, Fernet Blanca, Grand Marnier, La Grand Passion, O'Kir, O'Mint mineral water, Piat d'Or wine

Ad agency: TBWA Advertising, New Yor Richard Costello, pres-coo; Willia Tragos, chmn-ceo; Richard Lewis, Bria Barry, vps-mgmt supers; Claude Fromı sr vp-media dir; Reatha Braxton, v media super; Page Murray, Darren Fi nie, acct execs.

■ Division

Heublein Inc.
Hartford, Conn.

■ Corporate personnel

John A. Powers, chmn; Robert M. Fure pres-ceo; G.T. Eisenberg, exec vp-sales mktg.

■ Marketing personnel

David G. Eickholt, vp-mktg svcs; Wi liam F. Engster, pres-Intl Vintage Win Co.; Edward Gaultieri, pres-gm, Var guard Div.; Charles Wheeler, dir-ad svcs; Steve Goldstein, dir-pr.

■ Brands

Blossom Hill wines, Black Velvet Canadia whisky, Smirnoff vodka, Smirnoff Silver vodka The Famous Grouse scotch whisky, Yukon Jac Canadian liqueur

Ad agency: McCann-Erickson, New York Dave Cohen, sr vp-grp super; Davi Katz, Kathy Faust, Margot Jackson, acc execs.

Almaden wines, Christian Brothers wines, Fir landia vodka, Heublein Cocktails, Inglenook Napa Valley wines, Inglenook Navalle wines Jose Cuervo tequila, Lancers wine, Mouto Cadet wines, Baron Phillippe de Rothschil wines, Truffles Liqueur du Chocolat

Ad agency: Goodby, Berlin & Silverstein San Francisco. Colin Probert, pres; Mart Wenzell, grp dir; Rene Cournoyer, acc dir; Rob Kabus, media dir; Luanne Cal bert, media super; Lawrence Teherani media planner.

Christian Brothers Brandy

Ad agency: Waring & LaRosa, New York Saul Waring, pres.

Pernod

Ad agency: D'Arcy Masius Benton & Bowles, New York. Dan Cole, acct super.

Hispanic adv: Smirnoff vodka, Lancers wine

Ad agency: Robles Communication, Nev York. Neil Campbell, acct exec.

Black adv: Smirnoff vodka

Ad agency: UniWorld Group, New York Byron Lewis, ceo.

RANK: 76

Hallmark Cards

Kansas City, Mo.
Ad spending: **$138.2** million

■ U.S. ad spending ($ in thousands)

By media	1989	1988	% c
Magazine	3,503	1,720	103
Sunday magazine	14,235	12,150	17
Newspaper	6,589	7,986	(17
Outdoor	1	1	0
Network TV	43,292	38,180	13
Spot TV	3,851	2,975	29
Cable TV networks	825	424	94
Syndicated TV	5,320	2,085	155
Network radio	2,998	433	592
Spot radio	1,294	4,709	(72
Measured media	81,917	70,723	15
Unmeasured	56,300	48,600	15
Total	138,217	119,323	15

By top brands	1989	1988	% c
Hallmark stationery	62,039	46,074	34
Hallmark gifts	7,838	11,811	(33
Hallmark Christmas ornaments	5,205	2,170	139
Crayola toys	3,284	3,627	(9
Hallmark Cards	1,804	1,927	(6

■ Sales & earnings ($ in millions)

Worldwide	1989	1988	% c
Sales	2,500	2,300	8
Earnings	NA	NA	N

■ Notes: Sales figures are AA estimates

■ Annual review

Hallmark Cards' continued success i an otherwise flat industry appears t come from its blend of conservative y aggressive card playing.

Despite maturity in the industry, th privately-held greeting card markete has made consistent gains through acqu sitions, new products and creative mar keting tactics.

Hallmark's share of the $5.5 billio greeting card market is believed to hav increased to 44% in 1990 from 40% th previous year, a feat considering overa stagnation in the industry.

The company's relationship with Le Burnett USA, Chicago, appears to be contributing factor in the card marketer success. Burnett won Hallmark's accoun in late 1988.

In 1989 Hallmark launched a Hallow een campaign targeting adults for th first time with TV spots. The "Spook Sounds" campaign included a tape c "spooky" TV series theme songs ("Th Addams Family" and "The Munsters, etc.) in a purchase-with-purchase offer.

Most of its special purchase program are supported by TV and print cam paigns, with additional creative fro

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- Business unit and division general managers
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agency Valentine-Radford, Kansas City. The 13.4% growth in network TV spending in 1989 reflects this added marketing dimension. Hallmark's national emphasis for its advertising proved a boon to syndicated TV and network radio spending as well.

In a departure from traditional new offerings—new card lines within an existing line—Hallmark is testing expansion into other types of products. Fresh floral arrangements called Hallmark Flowers and priced between $4.50 and $35 were tested this year. Another test includes a 200-card line that allows customers to personalize messages via a touch-screen computer in the store called Personalize It! For a $3 fee, messages are laser-printed onto cards.

Gift of Choice is another venture in test in which customers select one of eight themed catalogs displayed in-store that is sent to their recipient who then chooses one gift that arrives via United Parcel Service.

Hallmark's To Kids With Love line launched in 1989 has not proved highly successful, but the new lines of nonoccasion cards hold promise. Late last year Hallmark brought out another nonoccasion line titled "Just How I Feel."

Retailers haven't lost faith in magazines

Single-issue advertisers, McDonald's and Sears, Roebuck & Co., proved some magazines were still a hot commodity when McDonald's became sole advertiser (32 ad pages) in a special issue of *Life* magazine published this May celebrating "The World of Children."

The issue was a photographic montage of the world as seen on Oct. 25, 1989.

Sears will be exclusive advertiser in an October issue of *Time* devoted to the changing role of women.

Hallmark's Peanuts and Garfield licenses continue to rank among its best-selling cards and its Keepsake Christmas ornaments are a growing staple.

In 1990 Hallmark also boosted its religious cards line by 33% under both the Hallmark and its smaller Ambassador brand, sold mainly through supermarkets.

The company has found new ways to promote existing lines. This summer when card sales were low, Hallmark broke a nationwide promotion for its humorous Shoebox line, supported by print ads in major magazines.

Hallmark for the first time attached actual greeting card envelopes to its print ads, which were redeemable for a free greeting card at its outlets.

Hallmark made another significant move in 1990 when it acquired Petaluma, Calif.-based Willitts Designs, a smaller card and gift-marketing company. Willitts' products include homespun card designs and collectible gift items.

■ Headquarters

Hallmark Cards
2501 McGee Trafficway
P.O. Box 419580
Kansas City, Mo. 64141-6580
(816) 274-5111

■ Corporate personnel

Donald J. Hall, chmn; David H. Hughes, vice-chmn; Irvine O. Hockaday Jr., pres-ceo; Robert L. Stark, exec vp.

■ Marketing personnel

Thomas H. Johnston, grp vp-Hallmark brand; Laurie Beeson, vp-mktg, Hallmark brand; Robert Firnhaber, grp vp-Ambassador brand; Lanny Julian, Hallmark vp-sales & retail devel; Homer Evans, Hallmark vp-Hallmark Cards prods div; Buddy Jones, vp-Hallmark specialty prods div; Donald Fletcher, div vp-Ambassador prod devel; Brad Moore, div vp-adv & promo; Ira Stolzer, adv dir; Jim Welch, consumer promo dir.

■ Brands

Hallmark natl adv

Ad agency: Leo Burnett USA, Chicago. Jim Thompson, sr vp-acct dir; Tom Dickson, vp-acct dir; Lynne Brinker, Ken Fill, acct supers; Philip Emmanuele, sr acct exec; Greg Matsunami, Greg Marlovits, acct execs.

Hallmark retailer adv programs, Ambassador Cards

Ad agency: Valentine-Radford, Kansas City, Mo. T. Craig Ligabel, vp-dir, client svcs; Greg Kirsch, acct grp super; Michael St. Pierre, Candi Walsh, acct supers; Colleen O'Kane, media dir.

■ Subsidiary

Binney & Smith
Easton, Pa.

■ Corporate personnel

Richard S. Gurin, pres-ceo.

■ Marketing personnel

Tom Muller, vp-genl mgr, Crayola.

■ Brands

Crayola products, Silly Putty, Liquitex paint & brushes

Ad agency: Avrett, Free & Ginsberg, New York. Tom James, exec vp-grp acct dir; Miriam Cohen, vp-acct super.

■ Subsidiary

Willitts Designs
Petaluma, Calif.

■ Corporate personnel

William G. Willitts Jr., pres.

■ Subsidiary

Univision Holdings
New York

■ Corporate personnel

William Grimes, pres-ceo; Joaquin Blaya, pres-Univision, Inc.

■ Brands

Univision

Ad agency: Alan Spess & Associates, Miami. Alan Spess, pres.

RANK: 71

Hasbro Inc.

Pawtucket, R.I.
Ad spending: **$151.9** million

■ U.S. ad spending ($ in thousands)

By media	1989	1988	% chg
Magazine	4,905	4,435	10.6
Newspaper	54	91	(40.6)
Outdoor	0	1	NA
Network TV	25,984	25,006	3.9
Spot TV	71,853	90,640	(20.7)
Syndicated TV	17,203	21,240	(19.0)
Cable TV networks	3,602	2,387	50.9
Spot radio	2	16	(86.0)
Measured media	123,604	143,816	(14.1)
Unmeasured	28,300	32,900	(14.0)
Total	151,904	176,716	(14.0)
By top brands	**1989**	**1988**	**% chg**
Hasbro toys	49,259	57,595	(14.5)
Milton Bradley games	25,443	30,247	(15.9)
Playskool toys	25,421	30,915	(17.8)
Coleco toys	7,040	9,582	(26.5)
Milton Bradley toys	6,537	6,680	(2.1)
Milton Bradley educational software	2,120	0	NA
Selchow & Righter games	1,104	365	202.5

■ Sales & earnings ($ in millions)

Worldwide	1989	1988	% chg
Sales	1,410	1,358	3.8
Earnings	92	72	27.3
U.S.	**1989**	**1988**	**% chg**
Sales	954	925	3.2
Operating profit	100	83	21.0

■ Annual review

Hasbro Inc. continues to reign as the leading U.S. toy marketer, but generating profits has become difficult in an increasingly competitive market.

The company's intensifying problems were underscored by a sudden management shakeup in late 1990 in which Alfred Verrecchia was promoted to COO of domestic toy operations overseeing all Hasbro divisions. The divisions had been managed by separate presidents.

On the heels of his promotion, Stephen Schwartz, then president of Hasbro's Playskool division, resigned and was replaced by Dan Owen, previously a Playskool senior VP.

In general Hasbro's sales slowed considerably last year, due to the continued pressure of competition from the thriving videogame segment. The toy industry as a whole continues to hover at approximately $13 billion with between $3 billion and $3.5 billion generated by videogames.

Another cause of Hasbro's recent misfortunes is the raging success of the Teenage Mutant Ninja Turtles action figures from Playmates Inc. Booming sales of the pizza-eating, sewer-dwelling turtles have cut deeply into Hasbro's action figure business, including the staple G.I. Joe and WWF Wrestling figures. Thinning sales this year also forced the company to shelve an entire line of new action figures called Tribes.

Tyco Toys also has become a formidable competitor. Tyco's Oopsie-Daisy doll was the surprise hit of Christmas 1989, when Hasbro was foundering with the Cabbage Patch doll line it bought from bankrupt Coleco Industries. Hasbro has since come back with Baby Uh-Oh and Baby Eat 'n Grow.

Overall Hasbro offered fewer new products in 1989 and 1990 and as a result its spot TV budget was reduced by nearly $20 million. The company continues to support each new line with network and spot TV campaigns ranging between $1 million and $7 million for its Hasbro toys and Milton Bradley games. Playskool directs network and spot TV mostly at parents, with print ads in consumer magazines.

Despite industry hardships, Hasbro nonetheless remains the No. 1 toy marketer.

Playskool currently offers the greatest growth opportunities because sales of preschool and infant toys, its domain, have continued to be brisk. Playskool's sales of Dolly Surprise continue to be strong, along with other preschool items like its Busy Beads, Playskool Express train and Playskool indoor/outdoor ride-ons.

The preschool division pulled sales from competitor Fisher-Price, beset with marketing errors in 1989 such as investing in new products targeting the fickle preteen market.

Mattel Inc.'s line of Disney preschool toys competed directly with Playskool's Sesame Street preschool line. Mattel and Preschool each claim approximately 25% of the infant and preschool toy market.

Milton Bradley has added no major hits to its staple items: Scrabble, Candy Land, Chutes and Ladders and Twisters, which produce steady but unspectacular sales. Newer entries, Shark Attack! and Mickey Mouse Yahtzee, have added onl modest increases to sales.

Milton Bradley benefits from its Nintendo videogame license, marketing a few new software titles each year.

■ Headquarters

Hasbro Inc.
1011 Newport Ave.
Pawtucket, R.I. 02861
(401) 727-5000

■ Corporate personnel

Alfred J. Verrecchia, coo-domestic toys George Ditomassi, coo-games & intl Barry J. Alperin, vice chmn.

■ Division

Hasbro Division

■ Marketing personnel

Larry Bernstein, pres; Al Carosi Jr., s vp-mktg; Kirk Bozigian, vp-mktg, boys toys; Duncan Billing, vp-mktg, girls toys; Barry Tunick, vp-mktg, Cabbag Patch.

■ Division

Playskool Division

■ Marketing personnel

Dan Owen, pres; Bob Wann, sr vp-mktg Sharon Hartley, vp-mktg, Playskool-preschool; Gina Beebe, sr mktg dir-Playskool, infant.

■ Division

Milton Bradley Division
East Longmeadow, Mass.

■ Marketing personnel

Dale Siswick, vp-mktg; George Merritt vp-adv & pr; John Gildea, vp-licensing & creative design; Debra Boyd, vp-media Wayne Charness, vp-corp comms; Amy Deemer, assoc dir-shows & exhibits; Pa Schmidt, dir-promos.

■ Brands

Hasbro, Playskool, Milton Bradley

Ad agency: Griffin Bacal, New York. Tom Griffin, co-chmn, ceo; Joe Bacal, co-chmn, dir-creative svcs; Paul Kurnit pres-coo, dir-client svcs; Leonard Leokum, exec vp-creative dir; Art Heller exec vp-dir, media; Loretta Volpe, sr vp dir, media, programming & mktg svcs Bob Kantor, sr vp-grp dir, Playskool Arnie Berger, sr vp-grp dir, Milton Bradley; David Beibelberg, sr vp-grp dir Hasbro; Jeff Dunetz, vp-assoc media dir boys' & girls' toys-Playskool; Steve Margaritov, vp-assoc media dir, Milton Bradley; Jay Bacal, Maurice Mahler, sr vps grp creative dirs, Hasbro & Milton Bradley; Mindy Rosengarten, sr vp-grp creative dir, Playskool.

Cabbage Patch, My Little Pony, Petite Ponies

Ad agency: Jordan, McGrath, Case & Taylor, New York. Pat McGrath, pres; Donald Weir, sr vp-mgmt rep, Hasbro; Mar Itkowitz, exec creative dir; Alisa Litwin Vicki Logan, creative dirs-Hasbro; Kat Ryan, vp-mgmt super.

Print adv-Playskool

Ad agency: Kidvertisers, New York. Larry Nunno, acct dir; Deyna Vesey, creative dir.

RANK: 32

H.J. Heinz Co.

Pittsburgh
Ad spending: **$342.3** million

■ U.S. ad spending ($ in thousands)

By media	1989	1988	% ch
Magazine	20,358	17,970	13.
Sunday magazine	2,122	2,253	(5.
Newspaper	5,306	4,367	21.
Outdoor	42	24	72.
Network TV	61,329	69,382	(11
Spot TV	26,706	30,253	(11
Syndicated TV	27,152	18,786	44
Cable TV networks	3,790	3,429	10.
Network radio	430	0	N
Spot radio	1,997	337	493.
Measured media	149,230	146,802	1.
Unmeasured	193,100	190,000	1.
Total	342,330	336,802	1.
By top brands	**1989**	**1988**	**% ch**
Heinz condiments	26,794	28,458	(5.
Ore-Ida vegetables	17,962	19,635	(8.
Weight Watchers frozen dinners	16,961	18,331	(7.
Weight Watchers International	16,802	13,440	25
9 Lives cat food	13,443	12,456	7
Weight Watchers frozen treats	9,938	6,777	46
Weight Watchers desserts	8,543	8,654	(1.
Heinz sauces	5,861	4,642	26
Weight Watchers dairy products	5,088	7,321	(30
Kozy Kitten cat food	3,344	0	N

■ Sales & earnings ($ in millions)

Worldwide	1990	1989	% ch
Sales	6,086	5,801	4
Earnings	504	440	14
U.S.	**1990**	**1989**	**% ch**
Sales	3,780	3,473	8
Operating income	567	468	21

■ Notes: Fiscal year ended May 2, 1990

■ Annual review

Continued development of the Weigh Watchers brand and ecological concern were top priorities as marketing suppo

THE WALL STREET JOURNAL.
Altered Fates
Science Is Pushing Heart Disease's Toll Farther Into Old Age
What's News—
Business and Finance
World-Wide
Married and Jobless
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Wrong Numbers
Appraisers Culprits In S&L Crisis Are Now Key to S&L Recoveries
Mongolia Develops A Revolution Style: Gentler—and Colder
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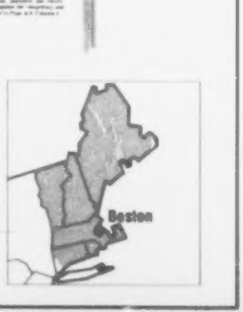
Mass. appeal.



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for Heinz products increased by 7.5% over last year, while advertising remained at the same level.

The Weight Watchers franchise, which was acquired by Heinz over 10 years ago, has become a $1.6 billion business with a revamped sales pitch to focus on a health image, not just a diet one. Nearly $62 million was directed into measured media support for the line in 1989, up 30.8% over 1988 levels, which were 54% more than in 1987. The company plans to triple the unit's size by the mid-1990s.

New products include breakfasts, desserts and condiments. Cocktail snacks and cookies are in the works. Weight Watchers' frozen entrees received $14 million in media support, down 6.7% from 1988.

In the total general frozen entree category, valued at $3.2 billion, Heinz gained a 10.5% share of market, up from 9.9% a year earlier, placing it No. 4 after ConAgra's various brands (Banquet, Morton, Chun King) at 14.3% (same in '88), Stouffer's red box line with 12.2% (down from 12.8%) and Lean Cuisine 11.7% (up from 11.25%) and Kraft General Foods' 11.6% (up from 11.1%).

Four new dinner entrees were introduced by Weight Watchers, while frozen breakfast entrees, a 13-item line of microwaveable breakfasts that includes pancakes and french toast, was introduced nationally in August.

In the $1.5 billion frozen novelty market, the Weight Watcher unit gained a 7.8% share, placing second to Popsicle Brand, category leader at 9.4%, according to Arbitron/SAMI. Weight Watchers launched two frozen novelty treats—Toffee Crunch Bars, with 120 calories per serving, and a NutraSweet reformulation of Orange Vanilla Treat. Its frozen novelties drew $13.7 million in measured support, up 20.2%.

Heinz ketchup, the company's flagship brand, will debut a new recyclable plastic bottle early next year. What goes into Heinz ketchup also is undergoing scrutiny as the company's agriculture researchers attempt to reduce pesticide use by breeding natural resistance into its tomato varieties.

Heinz ketchup holds over 50% of the market, followed by Hunt's with 23%, and Del Monte, 11%. Media support for Heinz ketchup dropped 22% in 1989 to $16 million, most of it in network TV.

Heinz 57 Sauce received nearly $8 million in measured media, up 12.7%. A new network TV campaign, backed by national print, was themed: "Ketchup with a kick." TV ads utilized the Cole Porter song, "I Get a Kick Out of You." A line extension to the Heinz sauces, Heinz Select Barbecue Sauce, was introduced in May.

Responding to heightened public perception about the environment, health and animal rights, Heinz's StarKist Seafood Co. adopted a worldwide "dolphin safe" policy touted in network TV spots. Leo Burnett USA, Chicago, the StarKist agency, produced the commercial in less than 72 hours to air on the CBS special, "Dolphins, Whales and Us." Competitor Bumble Bee Tuna followed suit.

A hickory-smoked-flavor version joined the traditional 6.5-oz. standard can and Prime Catch, the year-old brand of light tuna from StarKist.

Heinz pet products also will carry the "dolphin safe" labels beginning this fall.

Heinz's share of the cat food market grew from 17.6% two years ago to its present 24.8% level. Heinz's 9-Lives, which drew $8.9 million in media in 1989, down 23.3% from 1988, led the canned cat food segment with 18% of retail sales by mid-1990. Competitor Carnation Co.'s Friskies Buffet followed at 17%, and Mars Inc.'s Kal Kan at 15%.

Heinz's Amore brand amassed a 3.5% share while its Kozy Kitten product garnered 1.6% of market. New product 9-Lives Kitten Dinners' share totaled 0.7%. Lean Entrees, a new product from 9-Lives, rolled out nationally this August. Canned cat food is a $1.1 billion market, while dry cat food totals $876 million, according to Arbitron/SAMI.

In dry cat foods, H.J. Heinz Co.'s Kozy Kitten brand, which only went national in 1990, took the No. 3 spot in 1989, with a 10.2% share. Ralston Purina commanded a 48%-49% share, and Carnation Co.'s Friskies Pet Care, 16%.

Heinz canned dog food lines, led by Reward, Skippy Premium and Recipe, amassed a 13% share of market. A naturally smoked variety of Skippy Premium was introduced this spring.

Heinz's Meaty Bone tied with Nabisco's Milk Bone for top-selling dog biscuit with a 13% share, followed by Purina Biscuits' 11% in the $250 million biscuit segment of the dog snacks market. Meaty received $2.7 million in media backing, the same as in 1988.

Electronics dealers who ignore New York's Hispanic consumers are in for a shock.

In 1988, New York's Hispanics spent more than $200 million on electronics, including $40 million on TV sets, $16 million on VCRs and $17 million on camcorders.
Want to reach these buyers?
Advertise on WNJU 47—New York's #1 Spanish-language television station.
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Rosemarie Lieberman (212) 492-5603

Source: Arbitron, May 1989, sign-on to sign-off.
Lee Slurzberg Research, Inc.
New York Retail Study, January 1989.

Headquarters

H.J. Heinz Co.
P.O. Box 57
Pittsburgh, Pa. 15230-0057
(412) 456-5700

Division

Heinz U.S.A.

Marketing personnel

Consumer Prods. Mktg: Brian Ruder, vp; Barbara Behrman, gm; Jeff Conner, grp prod mgr; Mary Ann McCollough, gm-new business; Mark Shain, mgr-adv svcs. Food Service Mktg: Jeff Berger, vp; Hank Lockard, Kevin Storms, gms; Rick Sweet, Jack Musher, mktg mgrs. Packaged Goods Div: John Crawshaw, vp; Bob Roussey, genl business mgr; Jay Abraham, gm-mktg. Weight Watchers Div: Doug Haines, vp; Ben Fisher, gm; Mark Trumbull, grp prod mgr.

Division

StarKist Seafood Co.
Long Beach, Calif.

Marketing personnel

John Heil, vp-mktg; A.A. Ayotte, vp-sales & logistics; T.E. Sanford, gm-new prods; R.L. Wilkerson, gm-business devel; D.H. Gallagher, gm-broker sales; R.E. Worsham, gm-sales devel; J.R. Ryan, gm, brand sales; F.M. Horak, mktg mgr-seafood.

Division

Ore-Ida Foods
Boise, Idaho

Marketing personnel

Geoffrey V. Supko, vp-coo, Ore-Ida prods; J. Patrick Kinney, vp-foodservice; Michael J. Tyler, gm-retail mktg; M. Vince Shaar, gm-retail sales; Margaret E. Carlson, gm-venture mktg; Martin V. Thomas, gm-sales & mktg svcs.

Division

Foodways National
Boise, Idaho

Marketing personnel

Stanford P. Darger, vp-coo; Richard Mount, gm-sales; Lois S. Brown, gm-mktg, current formulated prods.

Division

Weight Watchers International
Jericho, N.Y.

Marketing personnel

Dr. Lelio G. Parducci, vp-mktg & devel; Linda Webb, gm-pr, brand strategy; Tim Tully, gm-mktg, Weight Watchers svcs; Susan Consorte, gm-mktg, new svcs; Barbara Warmflash, gm-mktg, Weight Watchers meetings.

Division

Heinz Pet Products
Newport, Ky.

Marketing personnel

Ed Johnson, gm-cat food mktg; [illegible] Chapek, prod mgr, 9-Lives canned cat food; Brian Mirsky, gm-dry & moist cat food mktg; Mike Milone, gm-dog food mktg; Joe Roxtrom, gm-canned dog food mktg; Sue Dehner, prod mgr-Skippy Premium dog food; Joe Sirgy, mktg mgr-dog snacks; Marty Koppenhafer, prod mgr-Jerky Treats; David Rhode, prod mgr, Meaty-Bone.

Brands

Heinz Ketchup, Home Style gravy, Specialty sauces, Near East

Ad agency: Leo Burnett USA, Chicago. Sean Harrington, acct dir; John Hillman, acct exec.

Heinz 57 Sauce, Heinz vinegar, Heinz Barbecue Sauce, Heinz Worcestershire Sauce, Alba

Ad agency: Ketchum Advertising, Pittsburgh. Mark Hurst, dir-client svcs; Don Burke, vp-acct super; Drea Toretti, asst acct exec.

StarKist products

Ad agency: Leo Burnett USA, Chicago. Tom Ross, exec vp; Jeff Herscovitz, vp-acct dir; Greg Seraydarian, acct exec.

Ore-Ida Frozen Foods

Ad agency: DDB Needham Worldwide, New York. Lucille Schwartz, mgmt super; Todd Bernard, acct super; Michael Rockefeller, Brian Mulhern, acct execs.

Weight Watchers frozen entrees & desserts

Ad agency: DDB Needham Worldwide, New York. Alan Krinsky, mgmt super; Mary Beth Williams, acct super; Megwin Finegan, Darryl DeGusman, acct execs.

Chico-San rice cakes, Chico-San popcorn cakes, Weight Watchers new product development

Ad agency: Hill, Holliday, Connors, Cosmopulos, Boston. Kathleen Driscoll, sr vp-grp head; Karen Kaplan, acct super; Anita Letendre, acct exec; Christy Kennedy, asst acct exec.

Weight Watchers International

Ad agency: DDB Needham Worldwide, New York. Alan Krinsky, mgmt super; John Brody, acct super; Steve DeSantis, Dan Levine, acct execs.

Ad agency: Edelman Worldwide, New York. Dorothy Crenshaw, sr vp-consumer mktg; Terese Caruso, vp; Jodi Godfrey, sr acct super.

Ad agency: Impressions Inc., Roslyn Heights, New York. Tony Schettino, pres-owner; Diane Gallagher, acct super.

Ad agency: Wunderman Worldwide, New York. Richard Stollenwerck, new business dir; Debra Brown, mgmt super; Julie Adams, acct super.

Weight Watchers: yogurt, frozen novelties, Grand Collection, dairy products, mayonnaise, dressings, new product development, central location-dry packaged products

Ad agency: Ally & Gargano, New York. Jim Hanzlik, mgmt dir; Jim Roxbury, acct dir; Valerie Valente, acct exec.

Weight Watchers International, Reward dog food, Jerky Treats, Meaty-Bone dog biscuits

Ad agency: Leo Burnett USA, Chicago. Jeff Herscovitz, acct dir; Rishad Tobaccowala, acct super; Susan Kahn, acct exec.

Skippy Premium dog food, Reward dog food, Recipe dog food

Ad agency: Goodby, Berlin & Silverstein, San Francisco. Debbie Nelson, acct dir; Shannon Maher, Lori Warren, acct execs.

Media buying & planning: Skippy Premium dog food, Reward dog food

Ad agency: Media That Works, Cincinnati. Mary Beth Price, pres; Lynne Veil, chief operating officer; Lynne Bissmeyer, acct mgr.

Amore cat food, 9-Lives cat food, Kozy Kitten

Ad agency: Leo Burnett USA, Chicago. Jeff Herscovitz, acct dir; Rishad Tobaccowala, acct super; Marc Landsberg, asst acct exec.

Corporate media buying

Ad agency: SFM Media Buying Corp., New York. David Tabin, sr vp.

RANK: 41

Hershey Foods Corp.

Hershey, Pa.
Ad spending: **$288.2 million**

U.S. ad spending ($ in thousands)

By media	1989	1988	% chg
Magazine	9,210	14,426	(36.2)
Sunday magazine	626	702	(10.8)
Newspaper	0	245	NA
Outdoor	18	32	(44.3)
Network TV	41,454	36,105	14.8
Spot TV	12,171	17,077	(28.7)
Syndicated TV	13,937	13,180	5.7
Cable TV networks	3,306	2,775	19.1
Network radio	9,187	5,952	54.3
Spot radio	2,560	4,049	(36.8)
Measured media	92,467	94,542	(2.2)
Unmeasured	195,700	200,100	(2.2)
Total	288,167	294,642	(2.2)
By top brands	**1989**	**1988**	**% chg**
Hershey candies	30,888	27,517	12.3
Peter Paul candy	11,208	9,433	18.8
Kit Kat candy bars	8,562	9,046	(5.3)
5th Avenue candy bar	8,160	4,512	80.8
York Peppermint Patties	6,629	5,835	13.6
Reese's candy	4,047	3,097	30.6
Cadbury candy	3,998	5,695	(40.3)
Twizzlers candy	2,574	2,427	6.0
[illegible] mentholated cough drops	1,321	214	518.7

Sales & earnings ($ in millions)

Worldwide	1989	1988	% chg
Sales	2,421	2,168	11.7
Earnings	171	214	(20.0)
U.S.	**1989**	**1988**	**% chg**
Sales	2,236	1,969	13.6
Operating income	307	257	19.5

Annual review

Hershey Foods Corp. continued to consolidate its position as the country's leading confectioner by introducing new confectionery items with an upscale, adult appeal and leveraging its brand identity through line extensions and diversification into new categories. Hershey used an acquisition to solidify its No. 2 market share of dry pasta.

Targeting the sweet tooths of aging baby-boomers, Hershey heavily promoted its new line of adult-oriented candy bars, including Fifth Avenue ($8.1 million in media spending, up 81%, according to LNA/Arbitron); Bar None ($7.4 million, up 13%); and Symphony ($4.1 million in its introductory year). Another "grown-up" candy, RSVP, a European-style chocolate bar with caramel and chocolate creme centers, was introduced to test markets in California in early 1990.

Hershey's first attempt to capitalize on its chocolate heritage while moving into new product categories was the rollout this spring of Hershey's Chocolate Bar Flavor Puddings. The four-flavor line of refrigerated products, supported with an estimated $13 million national ad budget, takes direct aim at Jell-O refrigerated puddings, the current category leader with an estimated 55% share of the $200 million market. Beatrice/Hunt Wesson's Swiss Miss is second at 30%; regional brands share the remainder.

Hershey sought to increase its share of the baking chocolate and bits category with the rollout of a line extension that includes Hershey's Chocolate Chunks, Hershey's Vanilla Chips, Hershey's Premium Baking Bar and Hershey's European-style cocoa. The introduction was supported with couponing and FSIs.

Hershey currently holds about 15% of the $376 million category with its cocoa powder, baking bar and Reese's products, good for third place behind Nestle Foods Corp.'s Toll House morsels brand with 51% and General Foods USA's Baker's with 16%.

Because of the market share boost from the acquisition of the U.S. confectionery business of Cadbury Schweppes in 1989, Hershey's share of the $1.7 billion market for confectionery products sold through supermarkets rose to 36%, ahead of rival M&M/Mars' 30%, according to Infoscan figures for November 1989. Other key players include Suchard with 10%; Nestle, 7%; and Nabisco, 5%.

The February 1990 acquisition of Ronzoni pasta from Kraft General Foods for $80 million added 9.2% to Hershey's existing 17.9% market share. With 27.1% of the dry pasta market, Hershey now challenges market leader Borden, which holds 31.3% of market, estimated to be worth $1.16 billion at the retail level in 1988, the last year for which figures were available from the National Pasta Assn. Hershey also intends to increase its share of the pasta market with new products in development and test marketing including Pasta Perfection, a four-item line of microwaveable pastas now in midwestern test markets.

Measured ad spending for Hershey's pasta brands before the Ronzoni acquisition dropped 9.8% from 1988 levels to $2 million. Because the pasta market is region-oriented, much of promotional spending is in unmeasured media, such as couponing and in-store promotions.

During 1989, Hershey consolidated its manufacturing operations to achieve economies. Resultant savings were used to pump up ad and promo expenditures, which in 1989 equaled 15.9% of sales, or $377 million worldwide, divided between advertising at $121 million and promotion at $256 million. Total ad and promotional spending in 1988 was $329 million.

Headquarters

Hershey Foods Corp.
100 Mansion Rd. East
Hershey, Pa. 17033
(717) 534-4000

Corporate personnel

C. Mickey Skinner, pres.

Marketing personnel

Clifford K. Larsen, vp-mktg; Gary Lauerman, dir-mktg svcs.

Brands

Hershey Chocolate USA: Cadbury prods, Hershey's toppings, Hershey's chocolate flavored syrup, Hershey's chocolate milk mix, Kit Kat bar, Luden's throat drops, Mr. Goodbar, Reese's Pieces, Skor toffee bar, Whatchamacallit bar, Y&S candies, York peppermint pattie, Symphony candy bars

Ad agency: DDB Needham Worldwide, New York. Peter Tate, exec vp; Leo Mamaorsky, sr vp-mgmt super; David Wismer, vp-mgmt super; Page Thompson, exec vp-media dir.

Hershey Chocolate USA: Bar None, Big Block bars, Easter Eggs, 5th Avenue bar, Giant Kiss, Golden Almond bar, Golden Almond Solitaires, Golden III chocolate bar, Hershey's Kisses, Hershey's milk chocolate bar, Hershey's milk chocolate bar w/almonds, Krackel bar, Hershey's baking chocolate, Hershey's chocolate chips, Hershey's cocoa, Hershey's Miniatures, Almond Joy, Mounds, Reese's peanut butter cups, Reese's peanut butter chips, Rolo

Ad agency: Ogilvy & Mather, New York. Michael Vaughn, sr vp-grp dir; Charles Armstrong, Garrett Vreeland, Martha Ehmann, Jeanne Murphy, acct dirs; Tony Nacinovich, sr vp-assoc media dir.

Hershey Pasta Grp: American Beauty, Delmonico, Light 'n Fluffy, Perfection, P&R, Ronzoni, San Giorgio, Skinner

Ad agency: Weightman Inc., Philadelphia. John Goodchild, pres; Susan Sunyak, acct super.

RANK: 38

Honda Motor Co.

Tokyo
Ad spending: **$298.8 million**

U.S. ad spending ($ in thousands)

By media	1989	1988	% chg
Magazine	56,656	47,159	20.1
Sunday magazine	926	748	23.9
Newspaper	7,883	3,395	132.2
Outdoor	264	451	(41.4)
Network TV	101,013	91,884	9.9
Spot TV	27,803	14,139	96.6
Syndicated TV	710	1,428	(50.3)
Cable TV networks	5,074	4,653	9.0
Network radio	44	1,725	(97.4)
Spot radio	17,161	11,531	48.8
Measured media	217,533	177,112	22.8
Unmeasured	81,300	66,200	22.8
Total	298,833	243,312	22.8

y top brands	1989	1988	% chg
onda passenger cars	93,366	87,782	6.4
cura passenger cars	86,110	56,726	51.8
onda motorcycles	9,617	10,284	(6.5)
onda lawn equipment	9,365	9,552	(2.0)
onda motorized vehicles	1,382	716	93.1

Sales & earnings ($ in millions)

orldwide	1989	1988	% chg
ales	24,385	22,084	10.4
arnings	517	616	(16.1)

Notes: Sales and earnings figures are converted at he rate of 0.00633 and 0.00699 dollars to the yen in 989 and 1988, respectively.

Annual review

American Honda Motor Co., subsidiary of Honda Motor Co. Ltd., Tokyo, again ed Japanese automakers in U.S. car ales, but plant expansion and costs for he "Americanization" of Honda products proved a drain on profits.

U.S. sales of Honda in 1989 were 83,102 cars (no trucks), including 42,061 of luxury Acura models and 89,472 U.S.-built Accord and Civic cars, p 1.8%. This represented a 5.3% share of he total U.S. car/truck market for 1989.

Honda's Accord, selling a total of 62,707 imported and U.S.-built sedans nd coupes, became the first foreign car ver to become the top-seller in the U.S. t dethroned Ford Taurus, No. 2 at 48,061.

Measured media expenditures for 1989 how the popular Accord models, which ell from $12,345 to $16,595, drew $45 illion in measured spending, 73% in etwork and spot TV and 27% in print, ostly magazines.

Three Accord TV spots that broke in ctober carried the "You have to drive it o believe it" theme, showing the redesigned and performance-oriented cars in n art gallery and on a tropical island mong several settings. The spots introduced an element of disbelief that generated consumer interest.

Accord's market leadership was challenged this spring in a new ad campaign y Chrysler Corp. with Chairman Lee Iacocca as presenter. Chrysler claimed that onsumers it tested prefered Chrysler odels to Honda Civic and Honda Accord. Honda did not respond to the ads. ompany officials merely noted that Accord is a benchmark car that invites omparison with others.

The Acura line of luxury autos took the major portion of Honda's 1989 ad budget once again. Measured media figures show Acura with total expenditures of $86 million, up 34%. The product-specific portion is evenly split between the top-of-the-line Legend, priced at $24,760-$30,690, and the lower-priced Integra ($12,850-$15,950).

TV and print for the 1990 models, budgeted at an estimated $100 million, opted for a softer look instead of racy driving footage and mention of Acura's speed and power concepts that dominated earlier ads.

Acura heavily promoted its customer-satisfaction (CSI) rating as judged by J.D. Power & Associates, devoting a fifth of its Acura media budget to the issue.

Hispanic advertising of Honda cars first appeared on national Spanish-language TV early this year, making Honda the second import carmaker to talk directly to the 24 million Hispanics in the U.S. Toyota was first back in 1988, and Nissan began a regional effort about the same time.

After staying off the incentive bandwagon for several months, Honda placed factory-to-dealer incentives on 1990 Civic, CRX and Prelude models earlier this year. Through June 30, Honda dealers earned $300 to $600 in incentives on sales of Civic wagons and stationwagons and CRX and Prelude models.

Honda still holds a precarious lead in the shrinking motorcycle market, closing out 1989 with a 29.3% share, down from 40.7%. Yamaha is close at hand at 26.2%, up from 21.5%.

Honda motorcycles accounted for nearly $6 million in measured media expenditures in 1989. Much of the outlay was for a continuation of the generic "Come ride with us" promotion. Product-specific advertising focused on the Cub, a new two-wheel, 90cc off-road bike, a user-friendly entry level vehicle designed for young riders.

American Honda's operations are located in Ohio and include an assembly plant for Civics in East Liberty (opened in April), an Accord plant at Marysville, an engine plant at Anna and motorcycle production. An Acura assembly plant to be located somewhere in this country is planned.

About 75% of Hondas made in the U.S. are now made with U.S.-produced parts. Honda's plan is to make its divisions worldwide as self-reliant as the one in the U.S.

Headquarters

American Honda Motor Co.
100 W. Alondra Blvd.
Gardena, Calif. 90247
(213) 327-8280

Corporate personnel

Koichi Amemiya, pres.

Marketing personnel

Automobiles: T. Okusa, exec vp; Thomas Elliot, exec vp-auto operations; S. James Cardigas, sr vp-Honda sales; Edward R. Taylor, vp-Acura sales; Eric Conn, auto adv mgr; Kurt Antonius, pr mgr; Bob Butorac, Mike Spencer, adm pr assts. Motorcycles: John Petas, sr vp; Ray Blank, asst vp-mktg; Wayne Toyota, natl adv mgr; Suzi Rossick, asst adv mgr. Power equipment: Shoichi Tanaka, sr vp; Terry Mulligan, vp; Steve Bailey, sr adv-sales operations mgr; Robert Clum, natl field sales mgr.

Brands

Motorcycles, scooters, ATVs

Ad agency: Dailey & Associates, Los Angeles. Dean Thompson, vp-mgmt super; Andrew Halpern, acct super; Danny Fujimori, acct super, Deborah Heisman, acct exec.

Power equipment

Ad agency: Fahlgren Martin, Atlanta. Robert Kane, pres-genl mgr; William Bender, sr vp-client svcs dir; Karen Estridge, acct super.

Acura autos

Ad agency: Ketchum Advertising, Los Angeles. Craig Mathiesen, pres; Peter Goodwin, Kevin Kitagawa, vps-grp acct supers; Tim Hart, exec vp-coo, client svcs dir; Brent Bouchez, exec vp-creative dir; Linda Malley, Mike Minchin, acct supers; Tony Ardolino, prod info dir; Giovanna Minghetti, Ben Woo, acct execs.

Honda autos

Ad agency: Rubin Postaer & Associates, Los Angeles. Chuck Valentine, sr vp-grp acct dir; Steve Woolford, vp-acct dir; David Jenkins, vp-special projects; Steve Straley, Julie Boston, Joan Egan, Ron MacMillan, vps-acct supers; Patti Mombach, Robert LePlay, acct supers; Larry Black, tech svcs asst; Lori Christian, Joseph Shak, Mike Allen, Duffy Smith, Joe Sajbel, acct execs.

Honda autos-Hispanic mktg

Ad agency: La Agencia de Orci, Los Angeles. Roberto Orci, sr vp; James Shaw, acct super; Carlos Cordoba, acct exec.

RANK: 50

Hyundai Group

Seoul, S. Korea
Ad spending: **$212.8** million

U.S. ad spending ($ in thousands)

By media	1989	1988	% chg
Magazine	16,407	11,170	46.9
Sunday magazine	49	93	(47.6)
Newspaper	8,855	14,587	(39.3)
Outdoor	1,299	369	251.8
Network TV	41,118	36,508	12.6
Spot TV	67,627	73,305	(7.7)
Syndicated TV	4,397	1,278	244.0
Cable TV networks	933	479	94.8
Spot radio	11,246	8,459	32.9
Measured media	151,931	146,249	3.9
Unmeasured	60,900	58,600	3.9
Total	212,831	204,849	3.9

By top brands	1989	1988	% chg
Hyundai passenger cars	87,179	71,223	22.4

Sales & earnings ($ in millions)

Worldwide	1989	1988	% chg
Sales	32,200	27,000	19.3
Earnings	NA	NA	NA

Notes: Sales figures are AA estimates.

Annual review

Hyundai Motor America, having endured a sobering 30.6% plunge in sales in 1989, is facing a comparable shortfall this year, but a retooled marketing strategy and a sporty new coupe called Scoupe promise better days in 1991.

Hyundai Motor, the U.S. sales arm and largest subsidiary of South Korea's Hyundai Group, became the leading supplier of low-priced cars in the U.S. just two years after introducing the Excel (priced at $4,995) in February 1986. Excel sold 263,610 units in 1987, more than any other subcompact import.

Following a slight advance in 1988 sales to 264,282, Hyundai tumbled to 183,261 last year, a plunge variously attributed to a softness in the small-car segment, poorly focused image and dilution of advertising and just plain bad marketing.

The introduction of a second model in late 1988, the $12,000 Sonata, put Hyundai in the mid-priced and mid-sized car market, but the company's advertising and promotion lacked any effort to redefine itself properly as a multi-product car maker moving upscale, not just a low-priced, low-end entry.

With the sales dive last year came resignations and changes in the corporate personnel, staff cuts and restructuring of U.S. operations. New management implemented a sales strategy including: boosting dealer profits with higher rebates on cars that carry more options; creating incentives to limit turnover on dealer staffs; placing a new finance company in national operation by mid-June; and backing its marketing with a new ad pitch: "World Class Value," to emphasize value over price.

Speculation has been that the Hyundai ad account held by Backer Spielvogel Bates Worldwide, Irvine, Calif., might be in jeopardy. Hyundai ad executives have firmly denied such talk.

News that the Korean-made Hyundai finished last in the latest J.D. Power & Associates "initial quality" ranking of 29 car divisions brought more changes. In mid-June, Hyundai created a new entity, the Consumer Market Development department, aimed at increasing customer satisfaction.

Pre-intro feedback of consumer comments on the new two-door Scoupe, shown early this year in auto shows, hold the promise of a breakthrough car. Said to be priced at under $8,500, the 1.5-liter, 4-cylinder car is positioned against the Ford Escort, Geo Storm, Sentra sport coupe, Toyota Tercel, Mazda 323 and Honda CRX.

Earlier this year Hyundai dealers, who number 345 in 47 states, applauded the company's move to set up a captive finance company—Hyundai Motor Finance Co. of St. Louis—to provide retail car financing, a market many banks have abandoned.

Hyundai, which boosted its ad spending by 3.8% in 1989, accounted for a 1.2% share of the U.S. car/truck market in 1989, down from 2.5% the previous year.

Measured media for Excel in 1989 was $36.5 million, down 41.9%, according to LNA/Arbitron. Network and spot TV and magazines accounted for largest portion of the budget in both years. Emphasis in 1989 shifted to the Sonata, which climbed from $5 million in its introductory year in 1988 to $49 million.

AA's advertising estimates for Hyundai exclude $14.9 million spending by local dealers, but include the corporate co-op portion of $36.1 million spent by the Hyundai dealers association. Measured LNA/Arbitron figures place dealer association expenditures in spot TV and newspapers.

Headquarters

Hyundai Motor America
10550 Talbert Ave.
Fountain Valley, Calif. 92728
(714) 965-3000

Corporate personnel

H.W. Baik, pres-ceo; Rod Hayden, exec vp-coo; Mark Juhn, exec vp-chief coord to ceo.

Marketing personnel

Bob Parker, natl sales dir; William Hamilton, prod & mktg planning dir; Maurice Bowen, natl adv mgr; William Wolf, natl pr dir.

Brands

Hyundai autos

Ad agency: Backer Spielvogel Bates Worldwide, Irvine, Calif. Mike Roche, exec vp-western region dir; Bob Svete, Mark Weinfeld, vps-acct supers; Harry Grusche, sr vp-mgmt rep, natl advertisers; Jim Sanfilippo, sr vp-mgmt rep, dealer assns; Chuck Dreyfuss, prod info mgr; Brad Booth, Kellie Floren, Marty McColgin, Doug McFetters, all acct executives.

RANK: 56

IBM Corp.

Armonk, N.Y.
Ad spending: **$196.9** million

U.S. ad spending ($ in thousands)

By media	1989	1988	% chg
Magazine	34,647	30,952	11.9
Sunday magazine	1,757	2,363	(25.7)
Newspaper	14,302	17,158	(16.6)
Outdoor	33	22	53.5
Network TV	41,053	52,191	(21.3)
Spot TV	714	2,296	(68.9)
Syndicated TV	43	12	255.0
Cable TV networks	708	154	358.7
Network radio	3,704	5,446	(32.0)
Spot radio	5,422	201	NA
Measured media	102,382	110,794	(7.6)
Unmeasured	94,500	102,300	(7.6)
Total	196,882	213,094	(7.6)

By top brands	1989	1988	% chg
IBM computers	88,311	98,687	(10.5)
IBM software	3,725	689	441.0
IBM office equipment	3,168	10,649	(70.2)
IBM seminars	1,598	562	184.4
IBM Information Network	80	0	NA
IBM systems	40	0	NA

Sales & earnings ($ in millions)

Worldwide	1989	1988	% chg
Sales	62,710	59,681	5.1
Earnings	3,758	5,806	(35.3)

U.S.	1989	1988	% chg
Sales	25,745	25,320	1.7
Net earnings	(325)	1,408	(123.1)

Division sales	1989	1988	% chg
Processors	16,087	15,077	6.7
Peripherals	11,021	11,280	(2.3)
Personal workstations	8,242	6,934	18.9
Other workstations	4,019	4,550	(11.7)
Software	8,424	7,927	6.3
Maintenance svcs	7,070	7,347	(3.8)
Other info tech	5,841	4,470	30.7
Federal systems	2,006	2,065	(2.9)
Other business	0	31	NA

Annual review

From personal computers to minicomputers to mainframes, International Business Machines Corp. concentrated in 1989 on changing its marketing focus from hardware and software products to customer solutions.

Solutions was the byword in corporate advertising created by Wells, Rich, Greene, New York, beginning in April 1989 with a hard-hitting campaign featuring consumers discussing business-related computer problems. The campaign expanded in July 1990 to feature IBM's role in developing technology solutions for a variety of issues, including business, the handicapped and the environment.

IBM's measured spending for corporate advertising was down 4% in 1989 to $32 million, although the network TV portion increased 13% to $23 million.

In personal computers, IBM trimmed 1989 spending on PS/2 by 25% to $27 million, mostly from an $11 million cut in network TV. IBM also began shifting spending for PS/2 to magazines, boosting that medium's 1989 spending for PS/2 to $9.5 million, up 21%, according to LNA/-Arbitron.

Measured ad spending for IBM personal computers has declined each year since 1984, when IBM and Apple Computer slugged it out with record spending levels.

IBM held a 31.5% revenue share of $8.6 billion in 1989 U.S. sales of personal computers through retail outlets, compared with 25.5% for Compaq Computer Corp. and 12% for Apple. IBM maintained a 31.7% share of $4.15 billion in U.S. retail sales for the first six months of 1990, on unit sales that were steadily rising, according to Joe Ann Stahel, president of Dallas-based Storeboard/Computer Intelligence, a market research company specializing in computer retail sales.

In the $35.1 billion (10.8 million units) U.S. personal computers market, IBM overtook Apple in the top spot in 1989, with a 14% unit share, up from 12.4% in 1988, versus Apple's 10.7%, down from 12.8%, according to Dataquest, a San Jose-based division of Dun & Bradstreet.

PS/2 received a boost in 1989 from the introductions of more powerful models and from the release in early 1990 of Microsoft Windows 3.0 software, which lets IBM-compatibles mimic Macintosh's popular graphics features.

In addition, IBM shifted spending to focus more on personal computing solutions via peripherals and software. IBM funneled media spending of $5.8 million into IBM printers (from only $105,000 in 1988), divided 68% magazine and 32% network TV. IBM software backing grew from only $688,000 to $3.7 million, 92% of it in magazines.

In June 1990, IBM threw down the gauntlet with the introduction of Personal System/1 (PS/1). Priced from $999 to $1,999, PS/1 is IBM's first computer targeted at home users since PC Jr., which was discontinued in 1985.

The intro puts IBM face-to-face with Tandy Corp., which in July 1990 introduced the Tandy 1000 RL, targeting the same market with a price tag of $750 to $1,300. Apple Computer is rumored to be planning an October launch of a $1,000 to $1,500 Macintosh.

Analysts are as skeptical about IBM's chances for success this time around in home computers as they were with PC Jr. due to a relative lack of applications software. "There is a Catch 22 for PS/1: to encourage software developers, IBM needs to generate unit volume, but to generate volume IBM needs software applications," says Sanjiv Hingorani, VP-stock market research at Salomon Brothers, New York.

Analysts are more positive about IBM's chances in mid-range systems, such as the AS/400 family. Since its introduction in 1988, the AS/400 has been an unexpected surprise for IBM, contributing about $13 billion a year in revenue and $1 billion in profits.

Measured spending for AS/400 computers fell 80% in 1989 to $5 million as post-intro spending virtually eliminated from its media mix network TV, which had claimed spending of $6.4 million in

Drugstore chains that ignore New York's Hispanics are in for a big headache.

New York's Hispanics spend more than $44 million annually on drug store items, everything from aspirin to hair spray, from tooth paste to nail polish.
Want to reach these health and beauty-minded consumers?
Advertise on WNJU 47, New York's #1 Spanish-language station.
It's as simple as that!

WNJU 47
Telemundo in New York

For more information, call
Rosemarie Lieberman (212) 492-5603

Source: MOR 1987, New York Market.

1988. The remaining support for AS/400 is in magazines.

■ **Headquarters**

IBM Corp.
Old Orchard Rd.
Armonk, N.Y. 10504
(914) 765-1900

■ **Corporate personnel**

Mary Lee Turner, vp-comm; Calvin LaRoche, dir-adv & promo.

■ **Division**

U.S. Marketing & Services
Armonk, N.Y.

■ **Corporate personnel**

George Conrades, sr vp-gm; William Grabe, John Higgins, vps-asst gms.

■ **Marketing personnel**

James Garrity, dir-adv; Roy Schecter, program mgr-adv; Barbara Clark, mgr-desktop systems adv; Merle Gordon, mgr-brand adv; Lauren Flaherty, mgr-systems & software adv; Roberta Henrickson, mgr-industries adv & media planning; Lee Green, mgr-marketplace adv.

■ **Brands**

Desktop products (PS/2, PS/1), Printers, Desktop Software

Ad agency: Lintas:New York. Stephen Norcia, grp exec vp; John Fraser, Michael Rogers, sr vps-mgmt supers; Tina McDermott, Matt Lake, vps-acct supers; Ron Carroll, acct super; Robert Painter, Teresa Muench, Eden Compton, Josh Shapiro, Chris Caldwell, Julie Lister, acct execs; Nancy Levine, asst acct exec.

Corporate adv, mktg image adv, mainframes, telecommunications, AS/400 computers, software

Ad agency: Wells, Rich, Greene, New York. Nancy Ryan, Ed Abrams, Jim Roosa, acct supers; Rick Berger, Michael Krieger, Peter Howell, Scott Friedman, Meghan Sullivan, Mimi Gallagher, acct execs; Cynthia Ragusan, Whitney Weinstein, asst acct execs.

■ **Division**

Systems Integration Division
Bethesda, Md.

■ **Marketing personnel**

Steve Eames, mgr-mktg comms; Judy DeHass, program mgr-adv.

■ **Brands**

Systems Integration

Ad agency: HDM, New York. Joe MacKenna, sr vp-mg dir, special mkts; Larry Lue, acct super; Aditya Verma, asst acct exec.

RANK: 84

ITT Corp.

New York
Ad spending: **$128.5** million

■ **U.S. ad spending** ($ in thousands)

By media	1989	1988	% chg
Magazine	6,950	7,767	(10.5)
Sunday magazine	78	90	(12.9)
Newspaper	7,669	7,160	7.1
Outdoor	1,005	1,263	(20.5)
Network TV	5,014	11,099	(54.8)
Spot TV	9,954	9,549	4.2
Syndicated TV	2	59	(96.6)
Cable TV networks	1,759	534	229.5
Network radio	1,277	170	653.5
Spot radio	333	306	8.8
Measured media	34,040	37,996	(10.4)
Unmeasured	94,500	97,000	(2.6)
Total	128,540	134,996	(4.8)
By top brands	**1989**	**1988**	**% chg**
Sheraton Hotels	14,524	17,244	(15.8)
ITT corporate	6,997	6,984	0.2
ITT institutes	4,741	5,360	(11.5)
Hartford insurance	4,275	4,335	(1.4)
Hartford auto insurance	1,944	1,854	4.8

■ **Sales & earnings** ($ in millions)

Worldwide	1989	1988	% chg
Sales	20,054	19,355	3.6
Earnings	922	817	12.9
U.S.	**1989**	**1988**	**% chg**
Sales	14,327	13,820	3.7
Income	797	915	(12.9)
Division sales	**1989**	**1988**	**% chg**
Automotive	2,852	2,691	6.0
Electronic components	1,134	1,124	0.9
Fluid technology	960	839	14.4
Defense technology	1,580	1,387	13.9
Pulp, timber	1,151	1,084	6.2
Insurance	8,689	8,553	1.6
Finance	1,806	1,479	22.1
Communications & info	754	704	7.1
Hotels	782	773	1.2
Equity in Alcatel NV	167	125	33.6

■ **Annual review**

ITT Corp., a conglomerate that includes Hartford Insurance and the Sheraton hotel chain, continued to spend heavily in business-to-business press for its nine companies, as advertising rose 5% to $135 million.

Spending continues at that level in 1990, according to Steven Erenburg, director of corporate communications, indicating the insurance, automotive, electronic and fluid technology divisions continue to spend significant ad dollars in trade and other unmeasured publications.

The company from year-to-year shifts corporate advertising, which is sometimes linked with division advertising, from network to spot TV and back, said Mr. Erenburg, indicating network TV, cut in 1989, is back with emphasis in 1990.

"Basically, our buying is based on efficiencies and opportunities including special events," he said. The amount of spot TV depends on what is available in the markets ITT wants to reach and the amount of ad money available, Mr. Erenburg said.

Network spending dropped 54.8% for all ITT spending in 1989. ITT's corporate ad expenditures, which remained at $7 million in media, also borrowed from network TV (down 42%) and gave it to spot TV, up from virtually nothing to $3.3 million.

The Sheraton chain continued to spend about $18 million in media, the same as in 1988. Sheraton dropped off of network TV in 1989, having spent $3.7 million in the medium in 1988. It picked up most of the slack in network radio, up from $170,000 in 1988 to $1.3 million, according to LNA/Arbitron.

Nature and Mideast political upheaval have caused problems for both Hartford and Sheraton. Payments to victims of Hurricane Hugo and the California earthquake made the 1989 financial picture for Hartford "worse than it would have been," said Mr. Erenburg. They contributed to a 26% drop in earnings for the division in 1989.

Casualty and property continue to be the Hartford's biggest categories, though financial services continues to gain ground.

Hartford was backed with $6.3 million in U.S. media advertising, slightly down from 1988. Network TV dropped from half the expenditure in 1988 to a third as cable TV, a medium not used in 1988, drew $1.3 million.

Iraqi troops took over the Sheraton upon entering Kuwait, probably because of its strategic location—it looks down on the U.S. embassy compound. It showed up on U.S. TV being used as a heliport by the occupying forces, said Mr. Erenburg. Though two-thirds of the chain's 460 hotels are in the U.S., Sheraton is the No. 1 chain in the Mideast.

The first of three Sheratons in the Soviet Union, a 450-room Moscow hotel, will open in 1992 as part of a joint Sheraton-Soviet venture. And New York's Sheraton Centre Hotel and Towers will serve as headquarters for the Democratic National Convention in 1992.

ITT has slimmed down dramatically in recent years, selling off divisions to become more focused and profitable. At midyear 1990, CEO Rand Araskog said, "Despite the difficult economic environment in the United States, ITT's overall results for the second quarter were well ahead of our earlier expectations."

■ **Headquarters**

ITT Corp.
320 Park Ave.
New York, N.Y. 10022
(212) 752-6000

■ **Marketing personnel**

Juan C. Cappello, sr vp-corp relations; Steven A. Erenburg, dir-corp comms.

■ **Brands**

Corp adv

Ad agency: Wells, Rich, Greene, New York. Frank Sampogna, acct grp head.

■ **Division**

Hartford Insurance
Hartford, Conn.

■ **Marketing personnel**

John J. Daly, asst vp-corp comms.

■ **Brands**

Hartford Insurance

Ad agency: McCaffrey & McCall, New York. Bruce Sherman, sr vp; Diane Stec, acct exec.

■ **Division**

Sheraton Corp.
Boston

■ **Marketing personnel**

Robert Collier, sr vp-mktg; Edward Stahl, dir-adv.

■ **Brands**

Sheraton hotels

Ad agency: Wells, Rich, Greene, New York. Frank Sampogna, exec vp; Eileen McKenna, sr vp-mgmt super.

RANK: 20

Johnson & Johnson

New Brunswick, N.J.
Ad spending: **$487.1** million

■ **U.S. ad spending** ($ in thousands)

By media	1989	1988	% chg
Magazine	29,427	30,636	(3.9)
Sunday magazine	1,457	3,121	(53.3)
Newspaper	267	224	19.2
Outdoor	94	77	21.8
Network TV	169,945	174,516	(2.6)
Spot TV	15,939	11,421	39.6
Syndicated TV	19,149	13,302	44.0
Cable TV networks	7,127	4,891	45.7
Network radio	1,598	1,065	50.1
Spot radio	1,568	337	364.9
Measured media	246,572	239,590	2.9
Unmeasured	240,500	233,700	2.9
Total	487,072	473,290	2.9
By top brands	**1989**	**1988**	**% chg**
Tylenol pain reliever	78,323	69,027	10.6
Tylenol sinus capsules	20,857	10,354	101.4
Imodium AD	15,743	8,867	77.5
Johnson & Johnson shampoos & cond	11,870	11,673	1.7
Band-Aid bandages	10,124	9,759	3.7
Acuvue contact lenses	9,397	12,198	(23.0)
Reach toothbrushes	7,851	5,979	31.3
Carefree panty shields	7,690	8,025	(4.2)
Johnson & Johnson baby lotions	6,818	9,756	(30.1)
Medipren pain reliever	6,571	29,806	(78.0)

■ **Sales & earnings** ($ in millions)

Worldwide	1989	1988	% chg
Sales	9,757	9,000	8.4
Earnings	1,082	974	11
U.S.	**1989**	**1988**	**% c**
Sales	4,881	4,576	6
Operating profit	699	627	11.5
Division sales	**1989**	**1988**	**% chg**
Consumer	3,915	3,692	6.0
Pharmaceutical	2,652	2,338	13.4
Professional	3,190	2,970	7.4

■ **Annual review**

Johnson & Johnson, which consolidated a number of its diverse consumer product operations in 1989 as part of cost-cutting measures, introduced 15 OTC products supported with strong media spending that pushed overall media expenditures slightly above prior-year levels.

The reorganization of the consumer products group did little to improve its sales performance as U.S. sales advanced only 2.6% largely because of soft sales of health and beauty aids. By contrast, J&J's U.S. pharmaceutical operations advanced 14%, a trend that continues into the first half of 1990. There is even greater disparity in operating income. Some analysts think the future story of J&J lies in its OTC products.

The joint venture, Merck-Johnson & Johnson Consumer Pharmaceuticals, was created in 1989 to market Merck drugs as OTC conversions, the first of which will be Pepcid anti-ulcer. Glaxo and Sandoz are developing a competitor, an OTC version of Zantac, an ethical drug that does $2 billion in sales annually.

The new venture also has U.S. rights to Mylanta antacids and Mylicon anti-gas products and others valued at $125 million in sales with its acquisition of the OTC drug business of ICI Americas.

Tylenol is holding steady with approximately one-third of the $2 billion general pain-relief market. American Home Products is No. 2 at 18%. Ad dollars rose 21.4% to $97 million in 1989 to support the Tylenol line. Tylenol Adult Cold Medication budget tripled to $9.2 million; Gelcaps dollars were boosted 66% to $26 million. Regular Strength Pain Reliever was off 11.6% to $35 million. Tylenol Allergy Sinus was introduced into the allergy market, receiving $2.6 million in new monies.

J&J last year reintroduced Children's CoTylenol as Children's Tylenol Cold with $1.6 million in ad dollars. J&J introduced Pediacare Nightrest for children via Cadwell Davis Partners.

Medipren's $30 million ad support for 1988 was slashed to $6.6 million in 1989. The ibuprofen has only been able to take 2% of the domestic analgesics market compared with AHP's fellow ibuprofen, Advil, at 10%. McNeil Consumer launched its first prescription product, Pediaprofen, an ibuprofen for children.

Two-year-old Imodium A-D, an OTC version of ethical drug Imodium, holds 25% of the antidiarrheal market behind Upjohn's Kaopectate's 45% share. Imodium A-D Liquid received $16 million in ad support in 1989; a new caplets extension has been approved by the FDA.

J&J and Kimberly-Clark Corp. are expected to spend $15 million each on new campaigns for relaunches of their Stayfree and New Freedom lines, respectively. J&J with its multiple products in the $1.1 billion sanitary protection segment, leads with a 32% share, down from 37% in 1988, followed by Kimberly-Clark at 27.7% (Freedom, 9.4% and Kotex, 18.3%) and P&G, 26% for brand leader Always.

J&J's Stayfree, which introduced a new pad with baking soda, has 17% of market and Sure & Natural, 7%. Stayfree received $1.3 million in new ad monies and Sure & Natural got $6 million in new support. Other brands are Modess, Carefree and Serenity. U.S. media spending for its o.b. tampon remained at $3.7 million in 1989 as the brand received a $50 million launch in Europe.

With 65% of the $260 million adhesive bandage market, J&J is facing off against Curad for the kid business with its new Band-Aids featuring Sesame Street characters. Curad's Happy Strips display McDonald's characters and are used in a cross-promotion with the food chain's Happy Meals for Kids. Curad, which holds about 27% of the market, hopes to gain another five points.

Other kid products include Dental Floss for Kids and age-specific Sesame Street kids vitamin line that will compete in the $163 million children's vitamin market. Miles Inc. has the first- and sec-

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ond ranked kids vitamins in Flintstones (26% share) and Bugs Bunny (10%).

The company acquired Piz Buin sun protection products from Greiter AG and introduced it last year in the U.S. with $2.2 million in media.

J&J's Ortho division was not that active in 1989 but in 1990 has launched with good results its hepatitis C test. Also, Ortho-Cyclen, the new birth control pill developed by J&J, is on hold due to a patent fight with American Home Products.

The company also is fighting a royalties lawsuit over its Retin-A, now sold only as a topical acne treatment. DDB Needham is developing consumer ads positioning the anti-acne prescription drug as an anti-wrinkle cream for sun-damaged skin. J&J has filed a new drug application for this treatment wrinkle. Medicis Pharmaceutical Corp. has obtained a license to market a generic form of Retin-A, which analysts said could mean a substantial loss of market share for J&J.

McCann-Erickson is preparing a campaign to launch Monistat as an OTC product. The ethical drug, used for the treatment of yeast infection, awaits approval from the FDA.

The internal lines within the consumer group got reconnected when J&J combined under the name, J&J Consumer Products, its baby products unit, J&J Health Care Co., which markets Band-Aids, and J&J Dental Care Co., which handles toothbrushes and dental floss. The operation had sales of $650 million.

■ Headquarters

Johnson & Johnson
1 Johnson & Johnson Plaza
New Brunswick, N.J. 08933
(201) 524-0400

■ Division

Johnson & Johnson Consumer Products
Skillman, N.J.

■ Corporate personnel

C.D. Simonds, company grp chmn-pres.

■ Marketing personnel

G.T. Root, vp-mktg, wound care & skin care; W.M. Carpenter, vp-mktg, oral care; P.S. Michaels, vp-mktg, toiletries; J.J. Gallagher, vp-sales.

■ Brands

Baby lotion, Baby oil, Baby powder, Baby sunblock, Purpose, Shower to Shower, Sundown, J&J Health Care, Baby shampoo & conditioner, No More Tangles, Swabs, J&J Dental Care

Ad agency: Young & Rubicam, New York. Tim Munoz, mgmt super; Kary Fletcher, acct super.

Ad agency: Lintas:New York. Ian McGregor, exec vp; Russell Schaffer, sr vp-mgmt super.

Ad agency: Cadwell Davis Partners, New York. F. Cadwell, pres; H. Davis, chmn-creative dir; E. Glazer, sr vp-dir, acct svcs.

Ad agency: Lowe & Partners, New York. Barry Linski, exec vp-mgmt dir.

■ Division

Johnson & Johnson Medical
Arlington, Texas

■ Corporate personnel

W.A. Clarke, pres.

■ Marketing personnel

J.J. Bohan, vp-mktg & sales, Surgical Specialties Div.; J. Maly, vp-mktg & sales, Medical Specialties Div.; J.D. Terry, vp-mktg & sales, Sales Admin.; R.S. Tice, vp-mktg & sales, Surgikos Div.

■ Brands

Sterion, Surgikos products, wound care products

Ad agency: Pierce-Davis & Associates, Arlington, Texas. Bill Pierce, pres.

■ Division

Advanced Care Products Division
Raritan, N.J.

■ Marketing personnel

Peter Gonze, vp-prod mgmt, non-prescription pharmaceuticals.

■ Brands

Fact Plus home pregnancy test, Micatin antifungal products

Ad agency: McCann-Erickson, New York. Harry Allan, Jill Lesko, Steve Seiden, franchise dirs.

■ Division

Johnson & Johnson Orthopaedics
New Brunswick, N.J.

■ Corporate personnel

A.J. Prince, pres.

■ Marketing personnel

G.K. Kunkle, vp-sales & mktg.

■ Brands

Surgical & non-surgical orthopaedic products

Ad agency: Simms & McIvor, Somerville, N.J. Gene Hollen, acct exec.

■ Division

McNeil Consumer Products Co.
Fort Washington, Pa.

■ Marketing personnel

J.T. Lenehan, pres; B.D. Perkins, dir-prod mgmt; S.J. Fanning, natl sales mgr; G.A. Clements, dir-professional sales & mktg; E.C. Watson, dir-comms; G.E. Griffiths, dir-sales promo.

■ Brands

Adult Tylenol, Children's Tylenol, Tylenol Cold, Tylenol Sinus, Children's Tylenol Cold

Ad agency: Saatchi & Saatchi Advertising, New York. T. Lom, exec vp-mgmt dir; J. McCarthy, vp-mgmt super.

Imodium A-D, Medipren

Ad agency: Lowe & Partners, New York. Barry Linsky, exec vp; J. Tarakajian, sr vp-mgmt super; M. D'Souza, Amy Earl, acct supers.

Pediacare

Ad agency: Cadwell Davis Partners, New York. F. Cadwell, pres; H. Davis, chmn-creative dir; E. Glazer, exec vp, dir-acct svcs.

Sesame Street Vitamins ——

Ad Agency: Susan Spindler Advertising, Weston, Conn. Susan Spindler, pres.

Sine-Aid

Ad agency: Barrie Curtis Spies Creative Services, New York. Barrie Curtis Spies, pres.

Professional adv: Imodium A-D, Pediacare, Adult Tylenol, Children's Tylenol, Tylenol Sinus

Ad agency: Kallir, Philips, Ross, New York. J. Racik, exec vp-mgmt dir; L. Pilson, sr vp-mgmt super; V. Foley, vp-acct super.

Hispanic adv

Ad agency: Mendoza, Dillon & Asociados, Newport Beach, Calif. R. Howells, pres; M. Gerdes, sr vp; S. Ruiz, vp.

■ Division

McNeil Pharmaceutical
Spring House, Pa.

■ Marketing personnel

C.E. Williams, vp-prod mgmt; J.C. Vaughan, vp-sales; T.L. Feldman, natl sales mgr; E.R. Steel, exec dir-mktg comms; D.A. Wissner, exec dir-mktg research; T.L. Bishop, exec dir-prod mgmt.

■ Brands

Tylenol acetaminophen with codeine, Tylox oxycodone HCl & acetaminophen, Pancrease pancrelipase, Vascor bepridil hydrochloride

Ad agency: Botto, Roessner, Horne & Messinger, New York. Robert J. Botto~~, pres~~.

Haldol haloperidol, Parafon Forte DSC chlorzoxazone, Myoscint mifarmonab

Ad agency: Kallir, Philips, Ross, New York. Norman Cooper, pres.

Tolectin tolmetin sodium

Ad agency: Thomas G. Ferguson Associates, Parsippany, N.J. John F. Zweig, exec vp-coo.

■ Division

Personal Products Co.
Milltown, N.J.

■ Marketing personnel

G. Petronio, chmn; Francis G. Ziegler, pres; M.G. McGuire, vp-mktg; J.D. Curtiss, mktg dir; D.P. Fraser, mktg research dir.

■ Brands

o.b tampons

Ad agency: Cadwell Davis Partners, New York. Eliot Glazer, sr vp-dir, account services.

Assure & Natural breathable panty liners, Carefree panty shields, Sure & Natural maxishields

Gabrielle Hermann, grp dir.

Stayfree maxi-pads, Stayfree mini-pads, Stayfree Silhouettes maxi-pads, Stayfree Silhouettes Thins, Stayfree Thins

Ad agency: Saatchi & Saatchi Advertising, New York. David Basch, exec vp-mgmt dir.

■ Division

Ortho Pharmaceutical Corp.
Raritan, N.J.

■ Marketing personnel

Erick Milledge, vp.

■ Brands

Ortho Pharmaceutical Corp.

Ad agency: Kallir, Philips, Ross, New York. Jim Linzer, vp-acct super.

■ Division

Ortho Biotech
Raritan, N.J.

■ Marketing personnel

Rich Zahn, vp-sales & mktg.

■ Brands

Orthoclone OKT-3

Ad agency: Kallir, Philips, Ross, New York. Jim Linzer, vp-acct super.

Eprex

Ad agency: Thomas Ferguson, N.J. Maria Spellman, vp-acct super.

■ Division

Dermatological Division
Raritan, N.J.

■ Marketing personnel

L.W. Riley, vp.

■ Brands

Professional dermatological products

Ad agency: Kallir, Philips, Ross, New York. Jim Linzer, vp-acct super.

■ Division

Chicopee
New Brunswick, N.J.

■ Marketing personnel

D.M. Lehman, vp-mktg, specialty prods div; R.I. Munoz, vp-mktg, affiliate div; J.R. Rinaldi, vp-mktg, private label div.

■ Brands

Chicopee products

Ad agency: ST&L Associates, New Brunswick, N.J. Howard Rich, acct exec.

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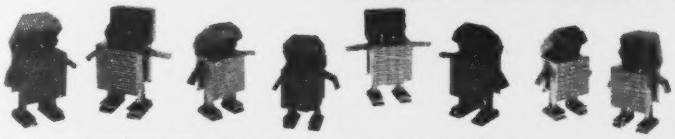

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■ Division

Codman & Shurtleff
Randolph, Mass

■ Marketing personnel

A.D. Stewart, vp-prod mgmt; D.G. Williams, mgr-mktg comms

■ Brands

Surgical equipment & supplies

Ad agency: Chalfin, Kostopulos & Gilmore, Boston. Barry Chalfin, acct exec

■ Division

Ethicon Inc
Somerville, N.J

■ Marketing personnel

D.R. Murray, vp-mktg

■ Brands

Professional wound closure products & instruments

Ad agency: Kallir, Philips, Ross, New York. James Linzer, sr vp-mgmt super

RANK: 68

S.C. Johnson & Son

Racine, Wis.
Ad spending: **$160.1** million

■ U.S. ad spending ($ in thousands)

By media	1989	1988	% chg
Magazine	14,100	16,000	(11.9)
Sunday magazine	706	2,537	(72.2)
Newspaper	472	360	31.2
Outdoor	389	269	44.4
Network TV	35,384	18,783	88.4
Spot TV	13,441	11,924	12.7
Syndicated TV	14,291	3,582	299.0
Cable TV networks	3,583	1,925	86.1
Network radio	676	1,479	(54.3)
Spot radio	4,614	3,116	48.1
Measured media	87,656	59,976	46.2
Unmeasured	72,400	49,500	46.3
Total	160,056	109,476	46.2

By top brands	1989	1988	% chg
Johnson polishes & waxes	25,014	13,812	81.1
Glade air fresheners	16,373	2,851	474.3
Raid insecticides	13,880	16,478	(15.8)
Shout stain remover	6,757	4,439	52.2
Fiberal laxative	4,371	262	NA
Curel creams & lotions	2,293	2,239	2.4
Halsa shampoos, conditioners	2,028	2,690	(24.6)
Off insect repellent	1,780	1,915	(7.1)
MinnKota boating accessories	1,674	1,136	47.4
Edge shaving products	1,422	2,533	(43.8)

■ Sales & earnings ($ in millions)

Worldwide	1989	1988	% chg
Sales	2,500	2,500	% chg
Earnings	NA	NA	NA

■ Notes: Sales figures are AA estimates

■ Annual review

S.C. Johnson & Son in 1989 turned its marketing attention overseas, especially in East Europe, where by mid-1990 it had inked agreements with Soviet producers to make such brands as Raid insecticide and Pledge furniture polish for distribution in Eastern Europe and the U.S.S.R.

Like many in the package-goods industry, Johnson intends to strengthen market share by distributing more U.S. products overseas, as well as bringing successful international products to the U.S.

The company, for example, is testing Tahiti Shower Gel based on a product the company sells in Europe. Glade Plug-Ins, which rolled national in mid-1990, are based on technology developed by its French subsidiary.

Johnson's Pledge furniture polish/dusting aid led the homecare division in measured media with $12.4 million, up 39% from 1988. Pledge commands an estimated 40% of the $150 million (manufacturers' level) furniture polish category. The company, known informally as Johnson Wax, extended the Pledge line with the national launch of Pledge Wood Moisturizer Lemon Oil, while continuing its Arizona test of Pledge Dusters, a cleaning cloth containing Pledge.

Between Future and Brite, the No. 2 and No. 3 brands, respectively, Johnson holds an estimated 60% share of the $100 million (manufacturers' level) floorcare category. Measured support behind Future climbed to $5.77 million from $1.6 million in 1988, while support for Brite increased 53% to $5.4 million.

Media support for Glade, Johnson's air freshener line, ballooned to $13.8 million from only $2.8 million in 1988. Johnson also backed the national launch late last year of Glade Potpourri room and carpet deodorizer with $2.5 million. Johnson this April began testing Glade Country Pottery, a 30-day air freshener packaged in handmade pottery.

All the new Glade entries boosted Glade's share of the $300 million air freshener category to 33.3% in mid-1990 from 24.8% in fall 1988, giving it category leadership over Renuzit from Drackett and Airwick and Wizard from Reckitt & Colman.

Johnson supported Raid, now in the second year of its Raid Max introduction, with $13.9 million, down 7.4%. Raid commands more than 48% of the $500 million insecticide business, leading Combat's 22%. Johnson anticipates greater competition in 1991 now that Combat has been sold by American Cyanamid to Clorox Co.

In April 1990, Johnson voluntarily recalled Deep Woods Off! insecticide after tests identified a chemical ingredient known as R-11 that caused benign reproductive problems and tumors in laboratory mice and rats. Johnson ran a one-time national newspaper ad and placed red stickers on containers saying the product had been reformulated. Johnson's share of the estimated $55 million insect-repellent market is more than 50%; Miles Inc.'s Cutter is second at 30%.

In the $4.5 billion haircare market, Johnson held onto a 3.6% share of the $1.45 billion shampoo segment with Halsa and Agree, while its share of the $670 million conditioner segment slipped to 5% from 5.2% (supermarket sales only), according to Diana Temple, analyst at Salomon Bros.

Johnson in May 1990 relaunched Halsa, an eight-item shampoo and conditioner line, with a European-flavored $10 million network and cable TV, magazine and POP campaign, the first from new agency Foote, Cone & Belding, San Francisco.

Separately, Johnson in early 1990 broke a $2 million spot TV campaign for Agree shampoo and conditioner. Agree in 1989 accounted for 1.7% of shampoo sales, while the companion conditioner held a 2.6% dollar share. Both were down 0.1 share point from 1988, according to Ms. Temple.

Johnson introduced nationally in May a Fisher-Price hair and skincare line for babies and infants. Products are packaged in recyclable plastic containers shaped like Fisher-Price's "Little People" toy line. While Johnson & Johnson owns more than 75% of the $600 million children's toiletries market, S.C. Johnson will stick to the $150 million bathcare segment.

In December 1989, Johnson broke a new commercial for Edge Shave Gel. The $150 million shaving preparation category has become more competitive now that Johnson's patent for Edge has expired. But Edge remained No. 1 with a 24.9% share. Johnson supported Edge with $1.4 million in measured media, and an additional $1.3 million for Edge Soothing After Shave with Aloe, the first non-alcohol after-shave product.

Johnson now is the fourth-ranked hand lotion marketer in the $840 million hand-and-body lotion category, with a 9.2% share for its Curel and Soft Sense brands, down from 10.2% in 1988. Curel in 1989 received $2.3 million in measured media, down 6.25%, while Soft Sense got virtually no media support.

In December 1989, Johnson elected Richard M. Carpenter, 62, president-CEO and a member of the board. Mr. Carpenter had been exec-VP of Worldwide Innochem, a Johnson subsidiary, since 1983, and its chief operating officer since December 1988. Mr. Carpenter succeeded Raymond Farley, 65, who retired.

■ Headquarters

S.C. Johnson & Son
U.S. Consumer Products
1525 Howe Street
Racine, Wis. 53403
(414) 631-2000

■ Corporate personnel

R.M. Carpenter, pres-ceo; J. Hudderly, dir-environmental affairs, worldwide. Worldwide Consumer Prods.: W.D. George Jr., pres-coo; W.B. Perez, exec vp-Consumer Prods., N. America; G. Montezemolo, vp-new mkts; L.L. Beebe, vp-sales; C.J. Goldthwaite Jr., vp-personal prods; D.J. O'Neill, vp-home care; B.M. Pritchard, vp-insect control.

■ Brands

Raid, Off!, Future, Brite, Shout, Pledge, Duster Plus, Favor, Glade, Curel, Edge, Soft Sense, Fisher-Price children's toiletries

Ad agency: Foote, Cone & Belding, Chicago. Paul Vernon, sr vp-grp acct dir.

Halsa, Agree

Ad agency: Foote, Cone & Belding, San Francisco. Richard Ward, sr vp-grp acct dir.

Aveeno cleansing bar & bath lotion, Rhuli prods, 9-1-1 first aid line

Ad agency: Grant/Jacoby, Chicago. Pam Prosch, sr vp-grp acct dir.

RANK: 10

Kellogg Co.

Battle Creek, Mich.
Ad spending: **$611.6** million

■ U.S. ad spending ($ in thousands)

By media	1989	1988	% chg
Magazine	9,001	5,979	50.5
Sunday magazine	73	158	(53.7)
Newspaper	337	417	(19.2)
Outdoor	29	70	(59.4)
Network TV	324,823	297,740	9.1
Spot TV	38,984	53,287	(26.8)
Syndicated TV	50,677	23,376	116.8
Cable TV networks	4,126	4,008	2.9
Spot radio	87	73	19.5
Measured media	428,135	365,107	11.2
Unmeasured	183,500	165,000	11.2
Total	611,635	550,107	11.2

By top brands	1989	1988	% chg
Kellogg's cereals	373,331	354,578	5.3
Kellogg pastries	13,181	9,904	33.1
Mrs. Smith desserts	11,925	9,128	30.7
Eggo waffles & pancakes	11,703	6,650	76.0
Kellogg Common Sense frozen waffles	6,895	0	NA
Kellogg waffles	4,509	3,369	33.9
Kellogg snacks	3,401	598	468.5
Kellogg Corp	2,955	506	484.2

■ Sales & earnings ($ in millions)

Worldwide	1989	1988	% chg
Sales	4,652	4,349	7.0
Earnings	470	480	(2.1)

U.S.	1989	1988	% chg
Sales	2,941	2,766	6.3
Net earnings	313	350	(10.6)

■ Annual review

During the past 12 months, Kellogg Co. has been bowled over by management shakeups, hemorrhaging market share and lackluster product introductions.

Proud Kellogg watched its pound share of the $6.9 billion ready-to-eat cereal category slide to 38.2%, from 39.7%, for the year ended in May—and from more than 40% in early 1989. Much of the lost share went to No. 2 General Mills, whose share rose to 23.9% from 21.8%.

Kellogg has yet to begin turning things around. Preliminary reports from the summer indicated the corporate market share differential between it and archrival General Mills had narrowed to 11%.

Part of Kellogg's problem has been a string of mediocre or badly timed new products.

The company had the greatest hopes for Heartwise, a high-fiber cereal containing the cholesterol-fighting seed psyllium; when it announced Heartwise's launch last August, Kellogg planned to commit $45 million to first-year marketing.

After spending $8 million in the fourth quarter of 1989, Kellogg cut back its plans for Heartwise when the FDA raised questions about the propriety of using psyllium in cereal. The company said it remains committed to Heartwise, but seems to view it as a niche product now. Kellogg axed a high-fiber prune variety earlier this year; the remaining plain flakes variety has garnered less than a 1% share in its first year of national distribution.

Hoping to get an early jump on what seemed an emerging category for rice bran products, Kellogg introduced Kenmei Rice Bran in March. Although research studies were less enthusiastic about rice bran's cholesterol-reducing potential than marketers had hoped, Kenmei's two varieties have performed fairly well, chalking up a collective 0.8% share.

Still new to supermarket shelves is Bigg Mixx, a presweetened children's cereal that bowed in June. Kellogg is staking a $30 million introductory budget on its first new presweetened cereal in 15 years—and on its offbeat presenter, an animated character with a pig snout, chicken feet and moose antlers.

To support its new products, Kellogg increased media spending to $428 million in 1989, up 6.5%—a significantly slower rate of increase than in the past five years, when spending rose 15% to 25% annually. But not all those dollars paid off.

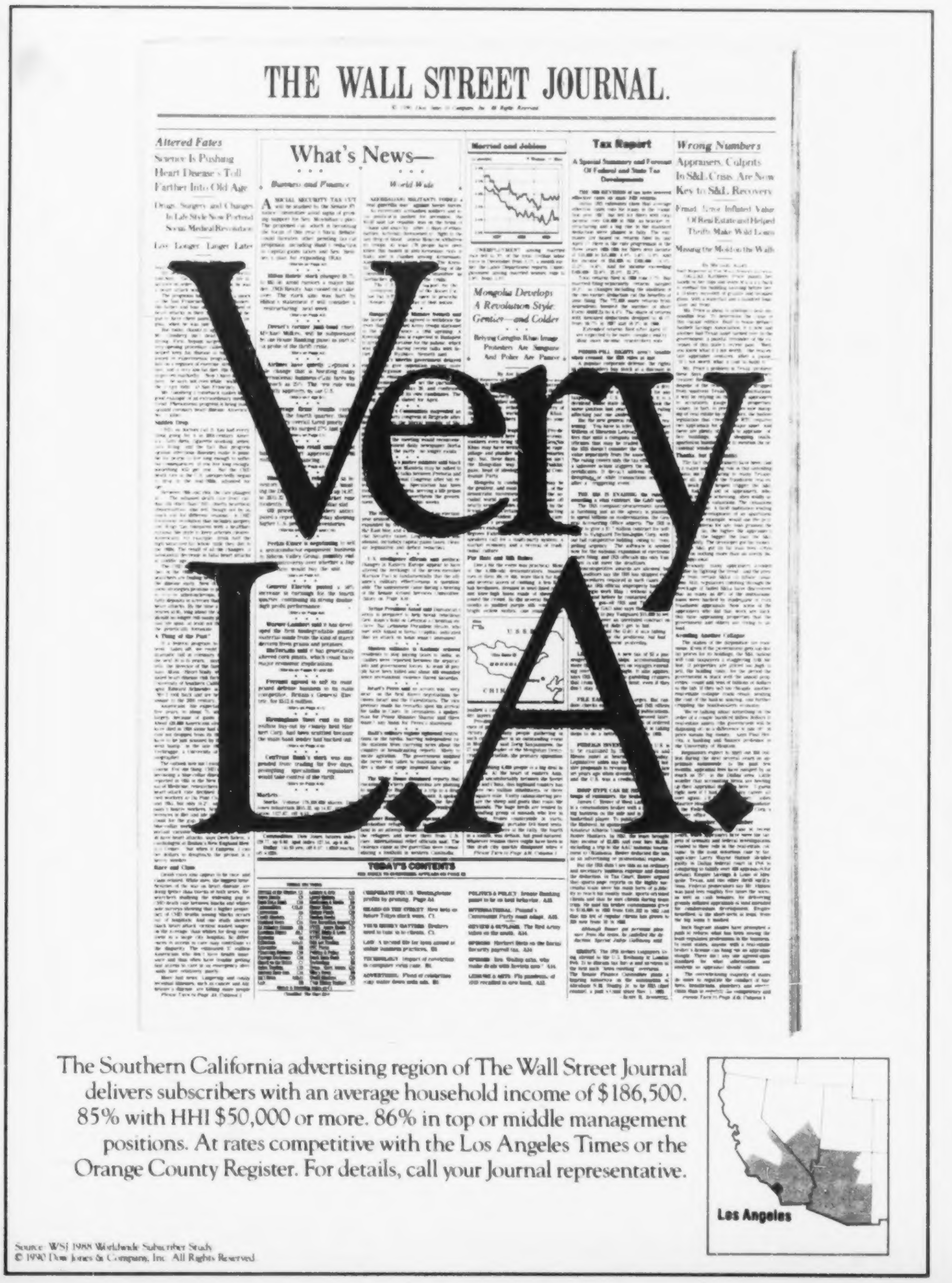
Gone from Kellogg's stable of cereals are S.W. Graham, Pro-Grain, Fruitful Bran and Nutrific Oatmeal Flakes—all introduced in the mid-1980s. The ill-fated S.W. Graham alone represented $13 million in media spending last year, but made it through only a year of national distribution before being discontinued.

Seeking to capitalize on the nation's oat bran craze, Kellogg spent a combined $45.7 million advertising Common Sense Oat Bran and Cracklin' Oat Bran in 1989. But when a January *New England Journal of Medicine* report took aim at oat bran's cholesterol-reducing claims, oat bran sales fell apart. The two cereals together now have only 1% of the market compared to nearly 3.5% a year ago.

Perhaps Kellogg's biggest challenge is reinvigorating its older, largest brands—Corn Flakes, Raisin Bran, Rice Krispies—which have seen market share eroding over the past decade. Corn Flakes is still the nation's leading cereal, with 4% of pound volume, but that's half the 8% it commanded in the early '70s.

To that end, Kellogg increased media spending on such established brands as Raisin Bran (up 1.5%, to $23.7 million), Corn Pops (up 11.2%, to $7.3 million) and Froot Loops (up 6.3%, to $9.1 million). Frosted Flakes remains the company's single most advertised brand, with media spending of $30.6 million last year.

Dissatisfied with the company's performance, Chairman-CEO William LaMothe and the Kellogg board of directors parted company with President-Chief Operating Officer Horst Schroeder, who abruptly resigned last September. Mr. LaMothe has assumed the president's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title.

Then in July, William Weintraub, the company's lead marketing official, was bumped from exec VP-marketing and sales for the U.S. Food Products division to a post described as assistant to the chairman. Assuming Mr. Weintraub's title was Carlos Gutierrez, formerly president of Kellogg's Mexican and Canadian operations.

■ Headquarters

Kellogg Co.
One Kellogg Square
P.O. Box 3599
Battle Creek, Mich. 49016-3599
(616) 961-2000

■ Corporate personnel

W.E. LaMothe, chmn-pres-ceo; C.W. Elliott, exec vp-admin, cfo; G.E. Costley, exec vp-pres, U.S. Food Prods. Div.; A.G. Langbo, exec vp-pres, Kellogg Intl.

■ Marketing personnel

U.S. Food Prods. Div.: C.M. Gutierrez, exec vp-sales & mktg; S.W. Richards, vp-natl sales mgr; P.K. Hill, dir-mktg svcs. U.S. Subsidiary Div.: D.H. Brenner, pres; J.J. Feeney, chmn-ceo, Mrs. Smith's Frozen Foods Co.; R.D. Bateman, sr vp-sales, Mrs. Smith's Frozen Foods Co.; K. Harlan, vp-mktg, Mrs. Smith's Frozen Foods Co.; E.K. Jorgensen, sr vp-sales, Fearn Intl.; M.P. Shay, vp-mktg, Fearn Intl.

■ Brands

All-Bran, Apple Jacks, Bigg Mixx, Cocoa Krispies, Common Sense Oat Bran, Corn Flakes, Corn Pops, Cracklin' Oat Bran, Crispix, Eggo waffles, Froot Loops, Frosted Flakes, Frosted Mini-Wheats, Heartwise, Honey Smacks, Just Right, Kenmei Rice Bran, Mrs. Smith's frozen pastries, Nut & Honey brands, Oatbake, Pop-Tarts, Product 19, Raisin Bran, Rice Krispies, Shredded Wheat Squares, Smart Start cereal bars, Special K

Ad agency: Leo Burnett USA, Chicago. William Lynch, chmn-ceo; James Jenness, exec vp-acct dir; Tim O'Day, Al Roehl, vps-acct dirs; Mike Arnold, Larry Bruck, Eleanor Callison, P. Bloomfield, Stacey Sopcich, L. Ellrodt, Rick Remick, acct supers.

Mueslix, Nutri-Grain brands

Ad agency: J. Walter Thompson USA, Chicago. George Lange, sr vp-mgmt dir; George Schott, Mary Haderlein, vps-acct dirs; Susie Graham, Brian Goldner, acct supers.

Black consumer adv

Ad agency: Vince Cullers Advertising, Chicago. Vince Cullers, pres.

RANK: 18

K mart Corp.

Troy, Mich.
Ad spending: **$561.4** million

■ U.S. ad spending ($ in thousands)

By media	1989	1988	% chg
Magazine	35,489	25,035	41.8
Sunday magazine	8,322	1,349	516.8
Newspaper	56,417	70,935	(17.6)
Outdoor	59	208	(71.7)
Network TV	31,443	56,292	(44.1)
Spot TV	23,384	30,025	(22.1)
Syndicated TV	1,527	4,124	(63.0)
Cable TV networks	3,232	3,230	0.1
Network radio	13,588	11,792	15.2
Spot radio	10,810	6,596	63.9
Measured media	186,271	209,587	(11.1)
Unmeasured	375,100	422,100	(11.1)
Total	561,371	631,687	(11.1)
By top brands	**1989**	**1988**	**% chg**
K mart stores misc	49,452	79,445	(37.8)
K mart stores	30,820	29,155	5.7
K mart stores apparel	25,070	31,762	(21.1)
K mart stores sport	23,400	18,688	25.2
Builders Square home improvement	12,761	11,439	11.6
K mart stores auto	9,720	9,919	(2.0)
Pay Less drugstores	7,142	4,720	51.3
K mart stores drugs & toiletries	5,996	5,162	16.2
Waldenbooks	5,826	5,257	10.8
Makro	1,585	1,370	15.6

■ Sales & earnings ($ in millions)

Worldwide	1989	1988	% chg
Sales	29,533	27,301	8.2
Earnings	323	803	(59.8)
Division sales	**1989**	**1988**	**% chg**
General mdse	24,959	23,187	7.6
Specialty retail	4,574	4,114	11.2

■ Annual review

In the past year K mart Corp.'s key strategies included cutting prices, launching a $4.5 billion, five-year program to modernize and refurbish its 2,200-plus stores and expanding its presence in low-cost, warehouse-style retailing with new acquisitions.

K mart, the nation's No. 2 retailer in total sales behind Sears, Roebuck & Co., cut prices on several thousand items in 1989 to match similar efforts at Sears and always low-priced Wal-Mart. The move hurt margins, contributing heavily to K mart's earnings decline.

In early 1990, K mart launched an aggressive modernization program to introduce wider aisles, more colorful displays and layouts of merchandise into six well-defined, dominant lifestyle departments. K mart advertising continued to focus on the lifestyle departments.

K mart, which decreased its media ad spending by $23 million in 1989, plans to cut another $10 million through 1990. It plans to scale back its in-house newspaper insert program in favor of increased network TV and national magazine advertising for this year.

Major spending cuts in 1989 affected its general promotion media dollars, down 59% to $11.9 million; women's apparel, off 33% to $9.8 million; and miscellaneous (non-categorized) retail, down 29% to $31 million. Increases came in home furnishings, up 6.5% to $30.8 million, and sports, toys and hobbies, up 23.8% to $23.4 million, according to LNA/Arbitron.

To reassert the chain's low-price policy, K mart launched a corporate image network TV campaign in mid-December starring Chairman-CEO Joseph Antonini to reassert the chain's low-price policy. The spots broke on NBC during a K mart-sponsored Christmas special, a one-hour movie starring Kenny Rogers.

That TV movie along with a cable TV holiday special featuring K mart spokeswoman and lifestyle consultant Martha Stewart were K mart's first ventures into TV production. Both were produced by King World Productions, but K mart sponsored the shows, contributed to them creatively and was sole advertiser. Last year K mart set up Martha Stewart Productions to pursue other types of programming, including a possible network TV series, with Ms. Stewart.

This August K mart broke a network and cable TV and national print image campaign intended to attract younger, more affluent customers by positioning K mart as an exciting, trendy place to shop. More than 100 15-second spots, each highlighting a different nationally-branded product, will break throughout the rest of this year. Calet, Hirsch & Spector, New York, handled TV; sister agency Ross Roy Inc., Bloomfield Hills, Mich., handled print.

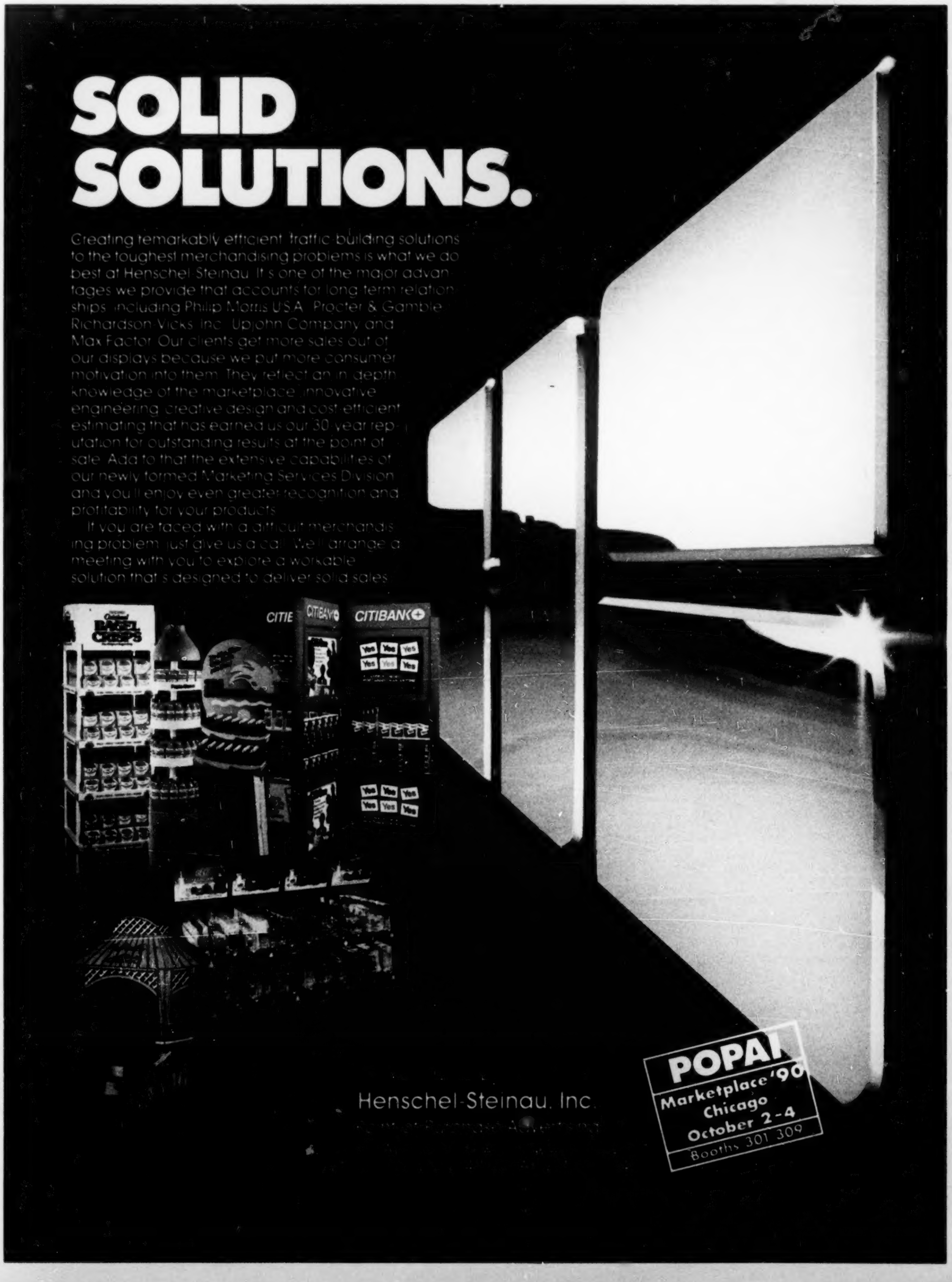
The campaign is part of K mart's "Partnership Marketing" program, developed last year by Ross Roy. The program unites the retailer with vendors in strategic yearlong marketing plans that are funded jointly by K mart and various manufacturers.

This month K mart kicked off its second "Get Ready Giveaway" sweepstakes with CBS-TV to promote CBS's fall TV schedule and to increase traffic in K mart stores.

K mart continues to look at new retail formats. It bought PACE Membership Warehouse last year and merged it with its nine Makro warehouse-style stores, acquired Sports Authority sports and fitness warehouse-style stores and converted its two Detroit-area Sports Giant stores into Sports Authority units. By yearend the chain will cover four states with 18 stores.

K mart is experimenting with "power" retail centers, shopping centers with two or more K mart subsidiaries, and in-store fast-food service—testing started this summer with Little Caesar's pizza.

Media spending levels at K mart's leading specialty retailers rose across the board: Waldenbooks, up 9.6% to $5.2



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POPAI
Marketplace '90
Chicago
October 2-4
Booths 301 309

million; Builders Square, up 15% to $12.8 million, and Pay Less Drug Stores, up 29% to $7.1 million.

Headquarters

K mart Corp.
3100 W. Big Beaver Rd.
Troy, Mich. 48084
(313) 643-1000

Division

K mart Stores
Troy, Mich.

Marketing personnel

Bill Parker, vp-sales & mktg; Michael Wellman, vp-mktg; Gerald Habeck, sr dir-adv; Susan Feinberg, dir-mktg devel & trend analysis; William Underwood, sr vp-genl merch; George Shipes, dir-sales promo.

Brands

K mart stores

Ad agency: Ross Roy, Bloomfield Hills, Mich. Peter Vetowich, exec vp-dir, retail operations; Richard Hosp, exec vp-K mart stores; Lawrence Haddock, sr vp-mgmt super; Frank Wilberding, sr vp-mktg svcs; Jack Frakes, exec creative dir.

Ad agency: Calet, Hirsch & Spector, New York. Peter Hirsch, co-chmn, exec creative dir; Richard Cavillo, pres; Jane Singer, exec vp.

Division

Waldenbooks Co.
Stamford, Conn.

Marketing personnel

Bonnie Predd, exec vp-mktg; Sandy Long, sr mgr-adv & sales promo.

Brands

Waldenbooks stores

Ad agency: CHC Advertising, Westport, Conn. Bill Bishop, chmn; Bill Schmermund, pres; Eric Tolkin, vp-acct dir; Mitch Silver, creative dir.

Division

Builders Square
San Antonio, Texas

Marketing personnel

Mark James, vp-mktg; Bob Bierley, dir-adv; Leo Corwin, sr vp-merch & adv.

Brands

Builders Square stores

Ad agency: Ross Roy, Bloomfield Hills, Mich. Peter Vetowich, exec vp-dir, retail operations; Bruce Miller, sr vp.

Division

Sports Authority
Fort Lauderdale, Fla.

Marketing personnel

William Lehrburger, dir-mktg & adv.

Brands

Sports Authority stores

Ad agency: Ross Roy, Bloomfield Hills, Mich. Peter Vetowich, exec vp-dir, retail operations; Bruce Miller, sr vp.

Division

Office Square
San Antonio, Texas

Marketing personnel

Gene Cuthbertson, dir-mktg.

Brands

Office Square stores

Ad agency: (In-house). Gene Cuthbertson, dir-mktg.

Division

Pay Less Drug Stores Northwest
Wilsonville, Ore.

Marketing personnel

David Massing, vp-adv.

Brands

Pay Less Drug Stores N.W.

Ad agency: (In-house). David Massing, vp-adv.

Division

American Fare
Troy, Mich.

Marketing personnel

Larry Parkin, exec vp-warehouse & grocery operations; Gerald Habeck, sr dir-adv.

Brands

American Fare combination stores

Ad agency: Ross Roy, Bloomfield Hills, Mich. Peter Vetowich, exec vp-dir, retail operations; Bruce Miller, sr vp.

Division

PACE Membership Warehouse Inc.
Aurora, Colo.

Marketing personnel

Patrick Smid, vp-mktg; Mary Crowley, adv mgr.

Brands

PACE warehouse stores

Ad agency: (In-house). Patrick Smid, vp-mktg.

Media-buying

Ad agency: Reich Communications, Aurora, Colo. Christa Reich, pres.

RANK: 88

Kroger Co.

Cincinnati
Ad spending: **$125.5** million

U.S. ad spending ($ in thousands)

By media	1989	1988	% chg
Magazine	0	34	NA
Sunday magazine	7	8	(12.3)
Newspaper	20,709	25,637	(19.2)
Outdoor	900	1,813	(50.4)
Spot TV	32,361	36,220	(10.7)
Cable TV networks	37	2	NA
Spot radio	2,575	2,094	23.0
Measured media	56,589	65,809	(14.0)
Unmeasured	68,900	80,100	(14.0)
Total	125,489	145,909	(14.0)
By top brands	**1989**	**1988**	**% chg**
Kroger food stores	42,214	46,438	(9.1)
Frys food store	3,563	4,118	(13.5)
King Soopers market	3,222	6,612	(51.3)
Super X drugstore	3,160	3,659	(13.6)

Sales & earnings ($ in millions)

Worldwide	1990	1989	% chg
Sales	19,104	19,053	0.3
Earnings	(73)	35	(310.7)

Notes: Fiscal year ended Jan. 31, 1990.

Annual review

Still trying to right itself after a massive 1988 restructuring, Kroger Co. continued to trim its ad budget last year while selling off properties to help satisfy its massive debt load.

Kroger last year allocated $56.6 million to media advertising, down 14% from 1988 which, in turn, was down 22.5% from 1987. TV is handled by Campbell-Mithun-Esty, Chicago, which also offers concepts and format for newspaper advertising. ROP advertising is produced and placed autonomously via in-house or regional agencies in each of the 11 markets covering 24 states.

But with $5.1 billion in debt at the beginning of 1989, and an average interest rate of 13%, Kroger is focusing on maximizing cash flow by selling off particularly non-core properties.

Kroger ended 1989 with a store count of 1,234, down from 1,240 at the end of 1988. But the company still hopes to be able to finance growth, with its current plans calling for another 40 food stores by the end of 1992 as well as the remodeling of another 100.

The chain's financial headaches stem from fending off takeover bids in 1988 by the Haft family and Kohlberg Kravis Roberts & Co., the New York takeover specialist that succeeded in landing a bigger fish last year, RJR Nabisco.

Sold off in 1989 were Conroe Dairy, Conroe, Texas, to Borden; Gateway Bakery, St. Louis, to Alpha Baking Co., Chicago; Heartland Farms Dairy, St. Louis, to Schnuck Markets, Bridgeton, Mo. These helped reduce its debt to $4.7 billion this August.

Kroger remained competitive with pricing and progressive promotions. One of last year's big promotions was a four-color newspaper campaign featuring a single food product in each ad, accompanied by an eye-catching headline. For example, an enlarged picture of grapes bore the caption, "Amazing Grapes."

Testing is continuing on a program piloted in Tennessee in 1989 where Kroger contracted with Campbell Soup Co. to insert Campbell product coupons into in-store Automated Teller Machines. When machine customers withdrew cash from the in-store automated tellers, they also received dollar-sized coupons for Campbell products. Kroger remains mum about the program's success.

A three-week, co-op radio campaign supported this promotion and is part of the reason Kroger's spot radio media volume of $2.5 million rose 23% from 1988.

Time Saver Food Stores, a convenience store chain owned and operated by Kroger Co., was the only member in the Kroger family to boost ad spending for 1989. Time Saver's media spending grew to $298,300 from $82,400, with the entire amount allocated to spot TV.

Kroger Food Stores as a group received $42.2 million in media support last year, virtually all in either newspapers ($14.9 million) or spot TV ($26.5 million).

Headquarters

Kroger Co.
1014 Vine Street
Cincinnati, Ohio 45202
(513) 762-4000

Corporate personnel

Joseph Pichler, chmn-ceo; Richard L. Bere, pres-coo.

Marketing personnel

Robert J. Hodge, sr vp; Richard Owens, vp-adv.

Brands

Kroger stores

Ad agency: Campbell-Mithun-Esty, Chicago. Marv Goldsmith, pres-coo, Chicago office; John Kroening, John Wylie, vps-mgmt supers.

RANK: 90

Levi Strauss & Co.

San Francisco
Ad spending: **$123.1** million

U.S. ad spending ($ in thousands)

By media	1989	1988	% chg
Magazine	1,663	5,975	(72.2)
Sunday magazine	384	37	926.2
Outdoor	27	77	(65.7)
Network TV	24,622	27,922	(11.8)
Spot TV	6,481	5,488	18.1
Syndicated TV	7,815	4,008	95.0
Cable TV networks	9,473	7,055	34.3
Network radio	651	472	38.0
Spot radio	80	101	(20.6)
Measured media	51,194	51,135	0.1
Unmeasured	71,900	71,800	0.1
Total	123,094	122,935	0.1
By top brands	**1989**	**1988**	**% chg**
Levis sportswear	49,456	46,621	6.1

Sales & earnings ($ in millions)

Worldwide	1989	1988	% chg
Sales	3,600	3,100	16.1
Earnings	272	NA	NA

Annual review

Levi Strauss & Co. is betting its immediate future on Americans spurning zippers for buttons and adopting a more casual look in the workplace.

To stimulate a shrinking jeans market and protect its franchise, the company is attempting to equate loyalty (as in community/nation) with brand (Levi's) loyalty.

Levi Strauss altered its long-running campaign featuring 501 jeans first with an effort called "501 USA" which highlighted loyalty to local communities and relied on stream-of-consciousness dialogue instead of music.

It then unfurled a Spike Lee-directed ad campaign for 501's that are button-downs, a highly popular feature in the West but one needing additional promotional help in the East.

The $20 million "Is your fly buttoned?" national campaign, a coordinated effort between Mr. Lee and Levi agency, Foote, Cone & Belding, has required tandem animated commercials in spot markets east of the Mississippi. In Pittsburgh, Washington, D.C., and Atlanta, the company is even offering a 30-day guarantee promotion.

National penetration of button-downs is important if Levi's are to remain No. 1 in the $6.6 billion jeans market. Levi's holds a 21.9% share of market, followed by three brands from VF Corp.—Lee (11% share), Rustler (8.8%) and Wrangler (6.3%).

Levi Strauss has been reaping the benefits of a buyback and other changes made four years ago when the Haas family took the company private. Its focus on jeans and sportswear lines has produced satisfying revenue streams. Costs have been held down, aided by plant closures that have eliminated 10,000 workers. It has been able to reduce its $1.6 billion debt to $475 million, with pay-off well ahead of schedule.

The Dockers line, now with sales of $250 million, has been a big contributor since the buyout. Its sales were only $1 million in 1986.

The company continues to face a shrinking jeans market which is not expected to turn around until the mid-1990s. Thomas Tusher, the company's new president, plans to fight the decline by becoming more aggressive in advertising and in-store promotions, especially for 501 jeans and Dockers.

This has led the company to explore other apparel categories and retail opportunities. Chairman Robert Haas identifies children's clothing as the next hot growth category. The company just announced it would open four company-owned stores in the Midwest in 1991, a departure from franchising such units. Levi's franchises are predominantly in the U.S. Northeast and in Europe.

Levi Strauss' media budget edged upwards only slightly to $51 million in 1989, although the company began to focus more of its dollars on TV, especially syndication and cable, and on newspaper supplements at the expense of magazine spending. National magazine spending dropped almost $4.5 million.

"They're spending the amount of money that is required to solidify their position," especially with Dockers, said consultant Harry Bernard. Dockers is believed to carry a $10 million media budget. "Everybody is trying to catch the Dockers' boat, but it has left the dock," he said.

Spending on Brittania has dropped dramatically from a $3.4 million network TV campaign to media buys in 1989 of only $720,000 in print and cable. The decrease comes at a time when Gitano, a new competitor in mass merchandising stores, has posed a strong attack with a proportioned (sized for height and weight) line.

Headquarters

Levi Strauss & Co.
1155 Battery Street
San Francisco, Calif. 94111
(415) 544-6000

Marketing personnel

Louis Kirtman, vp-mktg; Linda Aletto, consumer mktg dir; Maureen Moriarty, consumer mktg dir-men's jeans; Julie Palley, consumer mktg dir-youthwear; Steve Goldstein, consumer mktg dir-men's wear; Gordon Shank, consumer mktg dir-women's jeans; Jim Chriss, vp-mktg & sales, Brittania Sportswear Ltd.

Brands

Corp adv, Levi's, Brittania

Ad agency: Foote, Cone & Belding Communications, San Francisco. Alan Jewett, Richard Ward, sr vps-grp mgmt supers; Barbara Pauly, sr vp-mgmt super; Greg Riley, vp-mgmt super, Men's wear-Dockers & 501; Ann Sayer, vp-mgmt super, Men's 25 Plus; Kate Grant, acct super-Men's 25 Plus; Cathy Kirk, acct super-Youth wear; Laura Haber, acct super-501; Susan Andres, acct exec-Women's wear, Men's wear-Dockers; Lee Wierdsma, acct exec-Men's 25 Plus.

Hispanic adv

Ad agency: Mendoza, Dillon & Asociados, Newport Beach, Calif. Eduardo del Rivero, exec vp-client svcs; Luis Castaneda, acct super; Marta Gerdes, sr vp-client svcs; Beatriz Corona, promo mgr.

RANK: 74

Loews Corp.

New York
Ad spending: **$143.0** million

U.S. ad spending ($ in thousands)

By media	1989	1988	% chg
Magazine	25,277	21,010	20.3
Sunday magazine	12,677	12,792	(0.9)
Newspaper	1,314	2,067	(36.4)
Outdoor	34,173	32,802	4.2
Spot TV	7	91	(92.3)
Cable TV networks	0	2	NA
Network radio	3,224	0	NA
Spot radio	124	0	NA
Measured media	79,796	68,762	16.0
Unmeasured	63,200	54,500	16.0
Total	142,996	123,262	16.0
By top brands	**1989**	**1988**	**% chg**
Newport cigarettes	48,759	44,226	10.2
CNA insurance	13,016	5,746	126.5
True cigarettes	7,901	7,202	9.7
Kent cigarettes	6,102	9,020	(32.4)
Spring Lemon cigarettes	1,172	0	NA

Sales & earnings ($ in millions)

Worldwide	1989	1988	% chg
Sales	11,437	10,752	6.4
Earnings	907	908	(0.1)
Division sales	**1989**	**1988**	**% chg**
Property, casualty insurance	6,736	6,201	8.6
Life insurance	2,336	2,139	9.2
Cigarettes	1,771	1,818	(2.6)
Hotels	207	205	1.1
Watches, timing devices	174	155	12.6
Shipping	60	55	8.5
Offshore drilling	15	0	NA
Investment income	79	120	(33.9)
Equity in CBS Inc.	58	55	5.8
Other	(0)	6	(102.3)

Annual review

A major reason various Loews Corp. subsidiaries have shown increased willingness to flex their marketing muscle is the new generation of Tisch leadership.

The impact of Andrew (son of Loews Corp. chairman and co-CEO Laurence) as Lorillard division president-CEO and his cousin, Jonathan, as president-CEO and chief marketing officer of Loews Hotels, was visible almost immediately after their appointments a few months ago.

Soon after Andrew took over, Lorillard parted ways with BBDO, its agency for the Kent brand, whose sales and marketing share have been in steady decline. Earlier this year, Avrett, Free & Ginsberg was named to handle Kent.

Kent sales dropped 20.6% last year to 10.72 billion units, according to John C. Maxwell, analyst with Wheat, First Securities. Market share continued its downward spiral, to 2.0% last year from 2.4% in 1988. The brand held a 3% share in 1985.

Though the brand continued to be promoted through couponing, all advertising was halted in August 1989. As a result, its ad expenditures in measured media for the year declined by more than one-third, to $6.1 million. A new Kent campaign and new packaging will be introduced later this year. Despite speculation to the contrary, Kent remains a full-price brand. Lorillard entered the price-value category earlier this year with a national rollout of Heritage.

Despite the reduced expenditures for Kent, overall Lorillard advertising increased by about 5%, to $64.8 million, chiefly because of increased backing of the company's flagship brand, Newport. Newport media spending rose 11.3% to $49.4 million as the brand's market share rose to 4.7% from 4.4%.

Part of its success was the growth of 1988-entry Newport Stripes, which claimed an 0.2% share of market 1989.

Newport was the only one of the top five brands to show an increase in market share—others being Kent, True, Old Gold Filter and Max. Expenditures for Newport will continue to grow in 1990, a company executive reported.

Overall, Lorillard remained the fourth largest tobacco company with market share of 8%, up from 7.6% in 1988. Its sales, however, declined 8.4% compared with an industry shortfall of 6.1%.

Loews Hotels, not a traditionally large advertiser, increased its media spending to $982,500, up 39%, due largely to spending in magazines and newspapers for a new corporate campaign themed "Loews Hotels—Your Palace in the World," and advertising associated with the opening of its new Santa Monica Beach property. It currently owns or manages 17 hotels.

Loews Corp.'s CNA Financial division continued to grow despite the natural disasters of Hurricane Hugo and the California earthquake. It moved from 18th largest U.S. insurer in the early 1980s (based on premium volume) to 12th largest last year. One company executive predicted it will finish 1990 in the top 10.

CNA advertising in media in 1989 increased to $13.1 million from $5.8 million, a function of a new $6 million-plus campaign geared to small businesses with 100 or fewer employees. The radio and print campaign is budgeted at $11.9 million for this year.

The weakest link in the Loews chain is Bulova, hurt by a glut of watch movements in the world market. Nevertheless, the company had what one executive described as "a strong year in a soft year for watches." Bulova continues to find specialty niches such as its Benetton line and Harley-Davidson watches. Direct media advertising by Bulova is small; it supports retailers on a co-op basis.

It broke a magazine and TV campaign this month themed "Bulova—It's America's Time," which featured the hands of people who have recently made their mark in the arts matched to watches that fit their personality.

Headquarters

Loews Corp.
667 Madison Ave.
New York, N.Y. 10021
(212) 545-2000
Lorillard Inc.
New York

Corporate personnel

Andrew Tisch, pres-ceo.

Marketing personnel

T.H. Mau, sr vp-adv & brand mgmt; R.H. Orcutt, sr vp-sales; S.R. Ridgway, vp-pr; G.R. Telford, vp-adv & brand mgmt; J.P. Mastandrea, vp-sales; Lou Gordon, vp-trade devel; L.M. Giordano, media dir; R.G. Ryan, sales promo dir; S.T. Jones, mktg research dir; J.E. Daghlian, R.D. Hammer, Andrew Pasheluk, grp brand dirs; K.P. Augustyn, V.D. Lindsley, sr brand mgrs; J.A. Guardino, J.M. Wagner, brand mgrs; J.G. Arato, W.S. Leong, Eve Nadel, assoc brand mgrs; C. Fassuliotis, J. LaValle, asst brand mgrs.

Brands

Newport, new products

Ad agency: Ally & Gargano, New York. Warren Dechter, pres; Ed Ricci, exec vp.

Kent, Kent III, Kent Golden Lights, new products

Ad agency: Avrett, Free & Ginsberg, New York. Jack Avrett, chmn; Frank Ginsberg, pres-creative dir; Tom James, exec vp.

True, Triumph, new products

Ad agency: Saatchi & Saatchi Advertising, New York. John Kaiser, exec vp.

Division

Loews Hotel
New York

Corporate personnel

Robert J. Hausman, chmn; Jonathan Tisch, pres-ceo.

Marketing personnel

Charlotte St. Martin, exec vp-operations & mktg; Christopher Rockett, vp-mktg; Marian Succoso, dir-adv & sales promo; Michelle McFaul, vp-pr.

Brands

Loews Hotels

Ad agency: Arias & Sarraille, Palos Alto, Calif. Ed Sarraille, partner.

Division

CNA Financial Corp.
Chicago

Corporate personnel

Edward J. Noha, chmn-ceo.

Marketing personnel

Peter P. Conway, vp-mktg; James G. Pettorini, asst vp-life, health & pensions distribution mktg; Himanshu I. Patel, asst vp-mktg support div; Susan Stockton, adv mgr.

Brands

Business & trade adv

Ad agency: Frank C. Nahser Inc., Chicago. Frank Nahser, pres.

Division

Bulova Watch Co.
Woodside, N.Y.

Corporate personnel

Herbert Hofmann, pres.

Marketing personnel

Robert E. Ryan, vp-mktg, Richard Jamroz, comms dir; Jane Disanto, dir-mktg

Brands

Bulova watches & clocks

Ad agency: McCaffrey & Ratner, New York, David Hooper, sr vp-mktg dir

RANK: 35

R.H. Macy & Co.

New York

Ad spending: $312.7 million

U.S. ad spending ($ in thousands)

By media	1989	1988	% chg
Magazine	2 294	2 166	5 9
Sunday magazine	703	879	(20 0)
Newspaper	183 640	183 167	0 3
Outdoor	69	376	(81 6)
Spot TV	16 956	15 651	8 3
Spot radio	247	289	(14 6)
Measured media	203 910	202 528	0 7
Unmeasured	108 800	108 100	0 6
Total	312 710	310 628	0 7

By top brands	1989	1988	% chg
Macy's household	58 384	57 784	1 0
Macy's misc	46 727	44 431	5 2
Macy's apparel	41 695	44 882	(7 1)
Macy's jewelry	12 052	11 419	5 5
Bullock's apparel	10 735	11 785	(8 9)
Macy's drugs & toiletries	7 800	7 812	(0 2)
Bullock's	6 747	6 334	6 5
I. Magnin & Co apparel	5 761	4 849	18 8
Bullock's	5 715	5 819	(1 8)
Bullock's drugs & toiletries	2 439	2 523	(3 3)

Sales & earnings ($ in millions)

Worldwide	1990	1989	% chg
Sales	6 974	5 729	21 7
Earnings	(54)	(188)	NA

Notes: Fiscal year ended July 29, 1990

Annual review

R.H. Macy, owner of the "world's largest department store," is facing huge debt as it competes in an increasingly troubled retail market.

The privately owned company, made up of Macy's Northeast, Macy's California, Bullock's and I. Magnin, reported its fifth straight quarterly deficit in April. A disastrous Christmas season did little to dent the company's $5.5 billion in debt. For the year ending July 31, Macy reported operating income declined 20% to $743.2 million.

The company has, however, succeeded in narrowing its third quarterly loss from last year's loss of $64 million. Macy's has reduced its need for working capital by lowering its inventory by $250 million by buying less goods.

It also has been running fewer promotions, which temporarily boosted sales last winter but cut into profits.

Media spending for the entire company was up 0.7% to $203.9 million in 1989. Newspapers, by far Macy's biggest ad medium, remained flat at $183 million.

The company has relied heavily on Sunday newspaper inserts as well as company-sponsored activities like the Macy's Thanksgiving Day Parade, a Fourth of July fireworks display and Tap-O-Mania, where 5,000 people danced in front of Macy's flagship New York store and tapped their way into the "Guinness Book of World Records."

All Macy's units share the same ad slogan, "We're a part of your life." But advertising for each operating unit (i.e., Macy's Northeast, Bullock's) is handled in-house within the regional grouping. In-store promotions or special event sales often are shared within the operating units.

Advertising by Macy's department stores stayed flat at $169.4 million in 1989, all in newspapers except for $16.8 million in spot TV and the remainder in Sunday magazines, according to LNA/Arbitron. Bullock's spending only matched that of 1988 at $28.4 million, while I. Magnin & Co. was backed with $5.9 million, up 20%. The latter two units did not experiment with traditional media beyond newspapers.

Macy's Northeast consists of 46 department stores in Connecticut, Delaware, Maryland, New Jersey, New York, Pennsylvania and Virginia. Expansion continues throughout Florida, Texas and, most recently, New Orleans.

Macy's California operates 25 department stores in California and Nevada. These units make up 18% of Macy's total department store space.

Half of Macy's South operates under the Bullock's name and consists of 48 department stores in Alabama, Florida, Georgia, Louisiana, South Carolina and Texas. These units make up 17% of Macy's total department store space. There also are Bullock's units in Arizona, California and Nevada.

Headquarters

R.H. Macy & Co.
151 W. 34 St.
New York, N.Y. 10001
(212) 695-4400

Corporate personnel

Edward F. Finkelstein, chmn-ceo; Mark S. Handler, pres-coo; Arthur Reiner, chmn-ceo, Macy's New York; Robert Friedman, vice-chmn, Macy's Northeast; Hal Kahn, ceo-Macy's South/Bullock's; Rudolph Borneo, pres-Macy's California; Rose Marie Bravo, chmn-ceo, I. Magnin & Co.

Brands

Macy's Northeast

Ad agency: (In-house) Steven Kornajcik, sr vp-sales promo; Nan Cooper, Audrey Nizen, Robin Hall, Alan Spett, adv admins

Macy's South/Bullock's

Ad agency: (In-house) Joseph Garberino, sr vp-sales promo; Joe Traynor, grp vp; Karen Martin, vp-adv business office

Macy's California

Ad agency: (In-house) Greg Hribar, sr vp-adv & sales promo

I. Magnin & Co.

Ad agency: (In-house) Wilmer Weiss, sr vp-comms; Virginia Ferrand, vp-adv; Carolyn Galliani, adv mgr

RANK: 66

Marriott Corp.

Washington

Ad spending: $162.0 million

U.S. ad spending ($ in thousands)

By media	1989	1988	% chg
Magazine	8 190	5 081	61 2
Sunday magazine	608	1 624	(62 6)
Newspaper	11 252	8 657	30 0
Outdoor	1 339	950	40 9
Network TV	1 843	3 155	(41 6)
Spot TV	27 568	22 911	20 3
Syndicated TV	10	16	(37 5)
Cable TV networks	1 533	51	NA
Network radio	3 419	0	NA
Spot radio	3 654	1 446	152 7
Measured media	59 416	43 891	35 4
Unmeasured	102 600	75 800	35 4
Total	162 016	119 691	35 4

By top brands	1989	1988	% chg
Marriott hotels	19 636	13 082	50 1
Big Boy restaurants	5 247	5 035	4 2
Bob's Big Boy restaurants	4 167	5 825	(28 5)
Courtyard hotels	2.908	3.187	(8 8)
Sun Line passenger cruises	2.089	1.483	40 9
Residence Inns	1.508	521	189 4
Allie's restaurant	1.413	0	NA

Sales & earnings ($ in millions)

Worldwide	1989	1988	% chg
Sales	7.536	6.624	13 8
Earnings	177	232	(23 7)

Division sales	1989	1988	% chg
Lodging	3.844	3.427	12 2
Contract services	1.703	1.602	6 3
Corporate	602	342	76 0

Annual review

Marriott, which sold the 600-strong Roy Rogers chain last January to Hardee's Food Systems for $360 million, has announced plans to sell its other restaurant holdings—Bob's Big Boy, Howard Johnson's, Wag's, Bickford's and Allie's.

At the time of the sale, J.W. Marriott Jr., chairman and president, said the move would help Marriott focus on its lodging and contract service operations. Nevertheless, the decision to vacate the restaurant business came as a surprise. Just a year earlier, the company announced plans to open 600 Allie's by 1994.

The first Allie's—named for the mother of J.W.—were churning 40% greater sales than the Bob's Big Boys they replaced. Marriott also had purchased 123 Wag's and Bickford's restaurants in 1988 and 21 Jolly Roger restaurants last year—all supposedly to be converted to Allie's.

Marriott is mum on when the remaining restaurants will be sold. A company spokesperson said negotiations were in progress but another, unofficial source, noted that "as far as we know, no one is even remotely interested."

Since Marriott clearly wasn't planning a distress sale, it continued to support all the restaurants with advertising. In fact, Roy Rogers media spending grew by about a third, to $16.7 million. Allie's was backed by $1.4 million in spending—just about the amount Bob's Big Boy dropped. Bob's claimed $9.4 million, off 13%.

The hotel group was reorganized slightly earlier this year, with formerly independent Marriott Suites division becoming part of Marriott Hotels and Resorts. The four suites hotels offer full services and tend to attract the same level of traveler as Marriott Hotels.

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—Martin Mull

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Korey, Kay & Partners, New York was dropped from the Suites advertising account and replaced by FCB/Leber Katz Partners, New York.

Spending for Marriott Hotels in media was up almost 50% to $18.3 million, with newspapers taking $6.7 million of the total and magazines and network radio claiming most of the rest. A large part of the increase came in the fourth quarter, when the hotel chain ran a heavily-advertised joint promotion with Hertz Rent-A-Car that offered Marriott guests an opportunity to win free car rentals and other prizes.

Fairfield Inn, Marriott's entry in the economy segment of the business also has a new agency and a bigger budget. Eisner & Associates, Baltimore, replaced TBWA, New York, and advertising jumped to $488,600 from $55,900, reflecting the chain's expansion. It opened 25 new properties in 1989 to bring its total to 43. Thirty more Fairfield Inns will come on line this year.

■ Headquarters

Marriott Corp.
Marriott Drive
Washington, D.C. 20058
(301) 380-9000

■ Division

Lodging Operations

■ Marketing personnel

Robert Bloch, sr vp-mktg, hotels; Jacqueline Hurley, dir-natl adv & field mktg, hotels, resorts & suites; Mark Ladd, dir-mktg, Fairfield Inn.

■ Brands

Hotels, resorts, suites

Ad agency: FCB/Leber Katz Partners, New York. Dorian Rogers, acct exec.

Residence Inn

Ad agency: Martin Agency, Richmond, Va. Dan Barges, acct super.

Courtyard

Ad agency: Scali, McCabe, Sloves, New York. Don Bowen, acct exec.

Fairfield Inn

Ad agency: Eisner & Assoc., Baltimore. Peter Gladstone, vp-acct super.

■ Division

Restaurant Operations

■ Marketing personnel

Paul Johnson Jr., exec vp-gm, Big Boy & Allie's; Lisa Krostue, vp-mktg, Roy Rogers; Doreen Levin, dir-mktg, Travel Plazas & Hot Shoppes.

■ Brands

Allie's restaurants, Big Boy restaurants

Ad agency: Earle Palmer Brown Cos., Bethesda, Md. Steve Farley, sr vp-acct grp dir; Dodie Subler, acct super; Mary Dernedde, Ilene Holland, acct execs; Pam Plunkett, asst acct exec.

RANK: 40

Mars Inc.

McLean, Va.
Ad spending: **$293.3** million

■ U.S. ad spending ($ in thousands)

By media	1989	1988	% chg
Magazine	6,957	9,860	(29.4)
Sunday magazine	1,036	512	102.3
Newspaper	562	216	160.9
Outdoor	0	23	NA
Network TV	77,098	91,366	(15.6)
Spot TV	33,552	38,290	(12.4)
Syndicated TV	22,283	23,780	(6.3)
Cable TV networks	13,984	9,995	39.9
Network radio	3,872	5,721	(32.3)
Spot radio	890	2,952	(69.8)
Measured media	160,234	182,714	(12.3)
Unmeasured	133,100	151,800	(12.3)
Total	293,334	334,514	(12.3)

By top brands	1989	1988	% chg
Whiskas cat food	18,653	0	NA
Uncle Ben's rice	15,603	17,700	(11.8)
Snickers candy bar	14,559	22,895	(36.4)
Kal Kan dog food	13,966	16,914	(17.4)
M&M's candies	11,830	18,714	(36.8)
Twix candy	10,431	9,584	8.8
Kudos snacks	9,676	11,772	(17.8)
Skittles candy	9,083	8,678	4.7
3 Musketeers candy bar	8,110	5,011	61.8
Bounty candy	7,592	1	NA

■ Sales & earnings ($ in millions)

Worldwide	1989	1988	% chg
Sales	8,000	NA	NA
Earnings	NA	NA	NA

■ Notes: Sales figures are AA estimates

■ Annual review

Mars Inc., slow to step away from the tried and true, suddenly awoke last year and started bringing to market new products and line-extension in all divisions—ranging from a peanut butter version of Snickers to Uncle Ben's new cheese-flavored risotto.

The company continues to focus on standardizing its brand names internationally. This activity will intensify next year as it begins promoting itself as a sponsor of the 1992 Winter and Summer Olympics—marketing events that will likely reverse a two-year decline in measured media spending.

Media spending at M&M/Mars division fell for the second consecutive year to $94.2 million, down 14.9%, according to LNA/Arbitron. The drop included sizable cuts in major brand spending. Snickers received $15.5 million in media, a 32% drop; M&M's fell 41% to $11.5 million. Getting an ad boost were Twix, up 8.8% to $10.5 million, and 3 Musketeers, up 62% to $8.1 million.

M&M/Mars in March launched an unusual umbrella TV campaign which appeared to be a corporate image spot for parent Mars Inc. The ad, via D'Arcy Masius Benton & Bowles, New York, showed people of all ages eating Mars and Milky Way bars and used the theme, "Making life a little sweeter—Mars."

M&M/Mars is emphasizing the "Mars" name on a number of its bars. Mars Milky Way appears on new wrappers rolled out this summer, as well as on the renamed Milky Way Dark (formerly Forever Yours), introduced in January 1990.

The company is counting on several peanut butter-based confections to boost sales. PB Max, a peanut butter cookie bar tested for years before being rolled into the Midwest in late 1989, will be national by December. The new Peanut Butter Snickers will be national by year's end. M&M's Peanut Butter Chocolates roll out on the West Coast this fall.

Holidays, the seasonally colored version of M&M's, will go red and white next year for Valentine's Day, and autumnal this fall (Harvest Holidays).

Other line extensions include new flavors for Kudos, Twix, Starburst, Skittles and Combos.

Dove International slashed its media spending 48.6% to $4.95 million in 1989. It discontinued Forever Yours ice cream sundaes to focus on ice cream versions of 3 Musketeers and Snickers. Dove is readying a U.S. test of Milky Way ice cream. Milky Way bars and Mars bars are being tested in Europe.

Spending by the Kal Kan pet-food division increased 6.2% to $40.8 million, with $28.6 million alone backing new Whiskas cat food.

Mars completed its transition to downplaying the Kal Kan corporate identity in favor of Pedigree brand for dogs, and Whiskas and Sheba for cats.

This year Kal Kan introduced Pedigree Puppy Food. It also launched premium, high-profit items, including Pedigree Choice Cuts in fall 1989, and in June 1990, a premium line for cats, Whiskas Chunks & Gravy.

Uncle Ben's media spending in 1989 fell 25.7% to $19.5 million, most going to Uncle Ben's Country Inn Rice mixes, up 86% to $5.9 million, and Uncle Ben's Rice in an Instant, $7.1 million, down 31.4%.

Uncle Ben's readied several new products in 1990, including Uncle Ben's Aromatica Rice, based on Uncle Ben's products in the U.K. A fast-cooking brown rice and a microwave rice were introduced nationally in the spring. This fall, Uncle Ben's will launch Uncle Ben's Long Grain & Wild Rice in a Garden Vegetable blend, the wild rice's first major line extension. It will be backed with national print advertising.

A regional introduction slated for the fall is Country Inn Extra Cheese Risotto, playing off the popular Italian dish. It will be advertised on spot TV.

■ Headquarters

Mars Inc.
6885 Elm St.
McLean, Va. 22101
(703) 821-4900

■ Corporate personnel

William Hellegas, pres-M&M/Mars Div; Al Aragona, pres-Uncle Ben's Inc.; Thomas Armstrong, pres-Kal Kan Foods.

■ Marketing personnel

M&M/Mars Div: Alfred Poe, sr vp-mktg; Randy Webb, vp-sales. Uncle Ben's Inc.: Robert Black, vp-mktg & sales. Kal Kan Foods: John Murray, vp-sales & mktg.

■ Brands

Kal Kan Pedigree dog food, Sheba cat food, Whiskas cat food, Kudos, Holidays, M&M's, 3 Musketeers, PB Max, Snickers, Starburst, Uncle Ben's, Suzi Wan

Ad agency: Backer Spielvogel Bates Worldwide, New York. Norman Bierman, exec vp-pet foods & Uncle Ben's; Simon Turner, sr vp-mgmt rep, pet foods & Uncle Ben's; Louise Gaumond, vp-acct super, pet foods; Ken Rogers, exec vp, multi-natl mg dir, candy; Joe Dell'Aquila, exec vp-candy; Paul Mesches, Dana Tower, sr vps-mgmt reps, candy; Jim Overend, vp-acct super, Uncle Ben's.

Bounty, Milky Way, Mars Almond bar

Ad agency: D'Arcy Masius Benton & Bowles, New York. Frank Assumma, sr vp-grp acct dir; Lori Moskowitz, vp-dir, operations & strategy; Mark Sands, acct dir; Annette Sally, acct mgr.

Combos, Munch, Skittles, Sussande, Twix, new products

Ad agency: D'Arcy Masius Benton & Bowles, St. Louis. Rick Spatz, sr vp-acct dir; Dave Gulick, vp-mgmt super; Marci Ranger, Molly Sims, acct supers.

RANK: 27

May Department Stores Co.

St. Louis
Ad spending: **$385.7** million

■ U.S. ad spending ($ in thousands)

By media	1989	1988	% chg
Magazine	3,133	2,337	34.1
Sunday magazine	5,009	5,036	(0.5)
Newspaper	230,874	220,361	4.8
Outdoor	54	120	(55.0)
Network TV	5,259	4,167	26.2
Spot TV	24,156	25,815	(6.4)
Spot radio	1,473	1,024	43.8
Measured media	269,957	258,860	4.3
Unmeasured	115,700	110,900	4.3
Total	385,657	369,760	4.3

By top brands	1989	1988	% chg
Lord & Taylor apparel	22,950	19,002	20.8
May Co. apparel	22,433	23,871	(6.0)
May Co. miscellaneous	20,535	19,375	6.0
May Co. household	17,293	18,989	(8.9)
Payless shoe stores apparel	16,452	14,794	11.2
Foley's apparel	15,069	13,108	15.0
Hecht Co. apparel	13,714	12,359	11.0
Caldor miscellaneous	13,368	11,671	14.5
Robinson's apparel	11,042	11,809	(6.5)
Filene's institutional	9,730	8,262	17.8

■ Sales & earnings ($ in millions)

Worldwide	1989	1988	% chg
Sales	9,425	8,403	12.2
Earnings	515	448	15.0

Division sales	1989	1988	% chg
Department stores	8,197	7,271	12.7
Volume Shoe	1,228	1,132	8.5

■ Annual review

May Department Stores Co. signaled its intention in 1989 to sell or spin off its discount operations and aggressively expand its more profitable department stores and self-service shoe stores. The move is certain to have a positive effect on newspaper ROP advertising, which accounted for 86% of May's 1989 media expenditure.

May announced in October 1989 an agreement to sell its 118-store Caldor chain for $500 million to CAL Holdings, an acquisition company 20% owned by May that includes outside investors and Caldor's top management. At the same time, May outlined plans to spin off its 75-store Venture Stores unit, distributing shares to its common shareowners.

Although the Venture spin-off remains on hold due to Wall Street's increasingly lukewarm reception for initial public offerings, the delay is not expected to dampen May's enthusiasm for aggressive expansion. The company will open 21 more stores in 1990. The company has earmarked $2.2 billion in capital spending through 1994 to open about 100 new department stores and 1,250 specialty shoe stores.

"May stands to pick up market share by expanding their retail franchise base. On top of their aggressive expansion plans, I wouldn't be surprised to see them making an acquisition or two," said William N. Smith of Smith Barney, Harris Upham & Co., New York.

A source at May said growth will bring critical mass to the various operating units, opening more powerful multi-media opportunities through the combination of ROP, direct mail, catalog and FSI's. "Greater concentration means averaging the ad dollars over more stores and increasing tremendously the efficiency of our ad spending," the source said.

Each of May's 13 department store divisions is responsible for the production and placement of advertising through its own in-house agency, which handles ROP, catalog, direct mail and broadcast. Based on company reports and measured media spending, *Ad Age* estimates catalog and direct marketing expenses for the 13 department store divisions exceeded $50 million in 1989.

Volume Shoe Corp., which operates 2,800 Payless ShoeSource stores in 45 states, was the largest user of broadcast in 1989 with a combined $16 million in measured spot and network TV, up 10% over the previous year. Foote, Cone & Belding, Chicago, handles broadcast for Volume Shoe.

Analysts are optimistic about May because it continues to show excellent returns. May got strong sales results in 1989 from Foley's and Filene's department store divisions, acquired in May 1988 from Federated Department Stores. With $1.1 billion in 1989 sales, Houston-based Foley's became May's biggest department store division, replacing New York-based Lord & Taylor, which had $1 billion in 1989 sales. Foley's had $33.4 million in measured media in 1989, up 12%, compared with L&T's $30 million, up 11%.

May has been closing or combining a number of stores to create more powerful regional companies since it began to consolidate the stores picked up in its 1986 acquisition of Associated Dry Goods. Hahne & Co., Caldor, Goldwaters, L&T, L.S. Ayres and Robinsons were gained in the purchase.

During 1989, the company combined Goldwaters into Robinson's, Hahne's into L&T, Strouss into Kaufmann's, The Denver into May D&F, O'Neil's into May Co.-Ohio. The trend continued in 1990 when May combined Rochester, N.Y.-based Sibley's and Pittsburgh-based

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Source: WSJ 1988 Worldwide Subscriber Study
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Kaufmann's into one division under the Kaufmann's name.

■ **Headquarters**

May Department Stores Co.
611 Olive St.
St. Louis, Mo. 63101
(314) 342-6300

■ **Division**

Famous-Barr
St. Louis

■ **Marketing personnel**

Paul Cavalli, sr vp-sales promo; Vicki Rosenkoetter, vp-adv dir; Joe Della Valle, vp-creative dir; Mary Phelps, mgr-direct mail; Ellen Horn, mgr-newspaper; Barbara Brinkman, mgr-broadcast.

■ **Brands**

Famous-Barr stores-broadcast

Ad agency: Glennon & Co., St. Louis. Ian Cohen, exec vp; Sherry Weiner, acct exec.

■ **Division**

Filene's
Boston

■ **Marketing personnel**

Charlotte Brewer, sr vp-mktg & sales promo.

■ **Brands**

Filene's

Ad agency: (In-house). Joseph Panessidi, div vp-dir, adv operations; Lee Bivins, div vp-creative dir; Lisa Corklan, adv mgr.

■ **Division**

Foley's
Houston

■ **Marketing personnel**

Linda Knight, sr vp-mktg & adv.

■ **Brands**

Foley's

Ad agency: Pacific Advertising (in-house). Wayne Franks, vp-creative dir; Beverly Ingraham, vp-mktg operations; Peggi Pietsh, div vp-direct mail; Sheila Field, div vp-sales promo; Jan Perello, dir-newspaper; Clay Warren, dir-prodn, newspaper-ROP; Day Barlow, mgr-bdcast.

■ **Division**

G. Fox
Hartford, Conn.

■ **Marketing personnel**

Joseph Civitillo, sr vp-sales promo.

■ **Brands**

G. Fox

Ad agency: (In-house). Jack Mullen, div vp-dir adv; Raina D'Amico, div vp-creative dir; Andrea Ackels, bdcast mgr; Bill Gaunt, asst adv dir-newspaper; Karen Labont, asst adv dir-direct mail.

■ **Division**

Hecht's
Arlington, Va.

■ **Marketing personnel**

Don DeFabio, sr vp-mktg; Steven Wichnow, sr vp-adv.

■ **Brands**

Hecht's

Ad agency: (In-house). Joyce Perl, vp-adv dir; Deborah Schneiter, div vp-creative dir; Susan Luzzell, newspaper mgr; Victoria Clark, bdcast mgr; Kevin Jackson, asst adv dir-direct mail; Herman Sauer, prodn mgr.

■ **Division**

Kaufmann's
Pittsburgh

■ **Marketing personnel**

Jerry Eccher, sr vp-sales promo.

■ **Brands**

Kaufmann's

Ad agency: (In-house). Barbara Mihopulos, vp-creative dir; Maryann Brown, adv dir; Michael Kaulakis, dir-direct mktg; LaRue Davis, dir-bdcast; Janet Schiavo, dir-newspaper; Gaia Garver, direct mail mgr.

■ **Division**

Lord & Taylor
New York

■ **Marketing personnel**

Rita Lennick, sr vp-mktg & sales promo.

■ **Brands**

Lord & Taylor

Ad agency: (In-house). Russ Hardin, vp-creative svcs; Charles Spiler, div vp-sales promo & business mgmt; Pat Doyle, vp-catalogues; Julie Furr, div vp-dir adv.

Lord & Taylor-radio

Ad agency: National Media Services, Rochelle, N.Y. Herb Stone, pres.

■ **Division**

L.S. Ayres
Indianapolis

■ **Marketing personnel**

Mark Humphrey, sr vp-mktg.

■ **Brands**

L.S. Ayres

Ad agency: (In-house). Rae Ann Allen, vp-creative dir; Claudia Ryan, vp-fashion merchandising; Kathy Kish, vp-sales promo.

■ **Division**

May Co., California
North Hollywood, Calif.

■ **Marketing personnel**

Herry Wendland, sr vp-sales promo.

■ **Brands**

May Co., California

Ad agency: (In-house). Leonard Berliner, vp-adv dir; Jim Watterson, vp-special events & pr.

■ **Division**

May Co., Ohio
Cleveland

■ **Marketing personnel**

Stephen Thorpe, sr vp-sales promo.

■ **Brands**

May Co., Ohio

Ad agency: (In-house). Debra Edwards, div vp-adv dir; Alma Sanger, div vp-creative dir.

■ **Division**

May D&F
Denver

■ **Marketing personnel**

Jan Ladnier, sr vp-sales promo.

■ **Brands**

May D&F

Ad agency: (In-house). Diane Cuckney, div vp-adv dir, Judy Zook, div vp-creative dir; Julie Crowson, direct mail mgr; Kelly Baca, newspaper adv mgr; Sherie Wahl, bdcast mgr.

■ **Division**

Meier & Frank
Portland, Ore.

■ **Marketing personnel**

David E. Miller, sr vp-sales & promo.

■ **Brands**

Meier & Frank

Ad agency: (In-house). Nancy Altman, adv dir, Pamela Gordon, creative dir; Sue Stedner, mgr-bdcast; Jeanette Redman, mgr-direct mail, Debra Lowery, mgr-newspaper.

■ **Division**

Robinson's
Los Angeles

■ **Marketing personnel**

Judy Ferris, sr vp-sales promo & adv.

■ **Brands**

Robinson's

Ad agency: (In-house). Marcia Cotner, vp-adv dir; Maureen Wright, vp-pr; Craig Cadwallader, div vp-sales promo; Tula Pregler, div vp-creative dir; Mark Hamilton, mktg mgr; Jerry Yamamoto, direct mail dir; Tom deCant, mgr special events.

■ **Division**

Volume Shoe
Topeka, Kan.

■ **Marketing personnel**

Terry McDonald, sr vp-adv & sales promo.

■ **Brands**

Volume Shoe-broadcast

Ad agency: Foote, Cone & Belding Communications, Chicago. Ethan Revsin, sr vp-grp creative dir.

RANK: 60

Mazda Motor Corp.

Hiroshima, Japan
Ad spending: **$196.3** million

■ **U.S. ad spending** ($ in thousands)

By media	1989	1988	% chg
Magazine	39,063	29,236	33.6
Sunday magazine	36	75	(51.5)
Newspaper	3,585	5,476	(34.5)
Outdoor	323	0	NA
Network TV	50,131	45,167	11.0
Spot TV	44,174	21,065	109.7
Cable TV networks	2,615	2,401	8.9
Network radio	5	6	(11.7)
Spot radio	3,577	3,928	(8.9)
Measured media	143,508	107,354	33.7
Unmeasured	52,800	39,500	33.7
Total	196,308	146,854	33.7

By top brands	1989	1988	% chg
Mazda passenger cars	126,121	89,906	40.3
Mazda trucks	13,811	13,612	1.5

■ **Sales & earnings** ($ in millions)

Worldwide	1990	1989	% chg
Sales	12,940	NA	NA
Earnings	168	NA	NA

■ **Notes:** New fiscal year ended March 31, 1990

■ **Annual review**

New products and extensive new-image advertising enabled Mazda Motors of America, a subsidiary of Mazda Motor Corp., to exit 1989 marked as a marketer of premium-quality vehicles. It had entered the year recognized as a marketer of price/value, low-cost cars and trucks.

Mazda's hard-to-get MX-5 Miata, a sporty convertible dubbed "Coupe of the Year" by *Automotive News*, made the big difference in the company's new image. Serious talk about Mazda's possible entry into the competitive luxury car field also served to reinforce the perception.

Despite a 7,420-unit or 2.1% drop in car/truck sales during 1989, Mazda increased its share of the U.S. car/light truck market. Its 1989 sales of 341,917 units, including 263,378 imported and

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Rivals fork over dough

P&G finally made money on soft cookies—$125 million from a patent suit.

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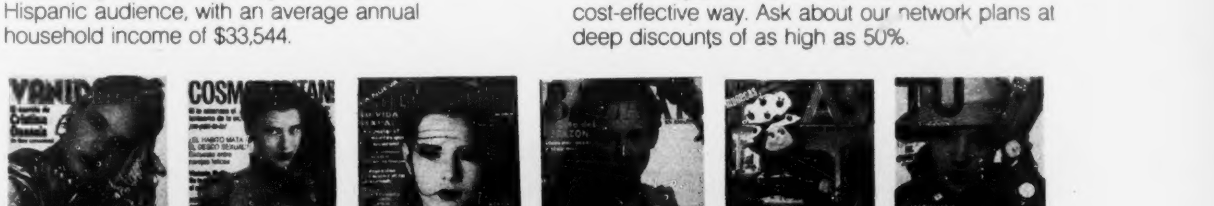

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U.S.-made cars and 78,539 light trucks, gave it 2.3% of the total U.S. car/truck market, up from 2.2% in 1988. The company ranked fourth among the Japanese importers.

Mazda's desire to challenge the top tier of Japanese importers may hinge on its ability to go more upscale. An internal task force, Project Pegasus, is studying selling upscale products—in the manner of American Honda, Nissan and Toyota—through a second distribution channel. Mazda has 850 U.S. dealers, compared with between 1,100 and 1,260 for the mainstream lines of Honda, Nissan and Toyota.

The U.S. marketing arm underwent reorganization when three regional companies were united to form Mazda Motors of America. Organizational refinements continued early this year as Mazda consolidated some of its operations into three new divisions—sales, marketing and product planning.

Mazda's corporate image campaign, which began last August under the theme "It just feels right," unveiled "kansei engineering," the philosophy guiding Mazda in its vehicle design.

Loosely translated as "the sensation when all five senses come into harmony," the ethereal concept was shown at work in a TV spot shot at the Mazda proving grounds in Japan. An eight-page insert in consumer magazines, themed, "Somewhere between your head and your heart," also elaborated on the idea.

Central to Mazda's new image was the Miata convertible. Sales of the sporty two-seater in the U.S. amounted to 23,052 units in only six months on the market—its entire allotment. Mazda expects to sell 40,000 Miatas both this year and next.

Mazda's sales leader in 1989 was the 323 model at 60,965 units, down 32.8%. It was followed by the 626 models at 52,770 (down 20.5%), and the MPV vans at 37,211 (up from 5,717 units). The pricy RX-7 sports car, Mazda's image king of the past, had unit sales of 16,249, down 41.6%.

LNA/Arbitron reported measured 1989 ad spending for the Miata at $14.3 million, most of it in spot and network TV and magazines. The MPV drew $8 million, up 19.4%. The MX-6 sport coupes got $20 million, up 58.7%, followed by the low-end Mazda 323 at $15.6 million, up 84%, and the 626 model at $14 million, up 64.7%. Light truck advertising hit $12 million, up 20%.

Going into 1990, the Mazda product lineup featured restyled models of the entry-level 323 series at $6,599 and the luxury 929 sedan at $24,800. There also was a redesigned Protege sedan, priced at $9,339.

Media usage for the 1990-model year beginning last fall changed from high frequency on one cable and six network TV shows to six cable and 40 network shows. Instead of six magazines in 1988 and 20 in 1989, its print schedule went to 50 magazines. The media buy is 75% network and spot TV, 20% print and 5% other media. The broader media reach is being matched by new ad dollars.

■ **Headquarters**

Mazda Motors of America
7755 Irvine Center Dr.
Irvine, Calif. 92718
(714) 727-1990

■ **Corporate personnel**

Yoshinori Taura, pres-ceo; Motoyuka Katsuke, Kensuke Kato, exec vps; Clark Vitully, sr vp-genl mgr; George McCabe, grp vp-operations; D. Hale, vp-sales.

■ **Marketing personnel**

Jan Thompson, vp-mktg; William Hackett, vp-prodn planning; Duane Bowen, vp-pr; James Wiesner, vp-dealer relations; Tim Gallagher, pr mgr-Pegasus project.

■ **Brands**

Mazda

Ad agency: Foote, Cone & Belding, Santa Ana, Calif. Tom Randolph, chmn-FCB/-West; William Hagelstein, exec vp-genl mgr; David Weber, sr vp-grp mgmt dir; Ray Damiano, vp-mgmt dir, mktg; Ken Waldron, vp-sr acct dir, dealers; Tom Somerset, sr vp-mktg svcs; Larry Kopald, exec vp-exec creative dir.

RANK: 48

MCA Inc.

Universal City, Calif.
Ad spending: **$219.9** million

■ **U.S. ad spending** ($ in thousands)

By media	1989	1988	% chg
Magazine	4,755	5,994	(20.7)
Sunday magazine	0	312	NA
Newspaper	30,503	24,059	26.8
Outdoor	3,714	1,550	139.7
Network TV	44,549	26,851	65.9
Spot TV	31,945	24,355	31.2
Syndicated TV	6,030	2,422	149.0
Cable TV networks	4,535	3,678	23.[illegible]
Network radio	410	305	34.4
Spot radio	6,942	5,779	20.1
Measured media	133,382	95,303	40.0
Unmeasured	86,500	61,800	40.0
Total	219,882	157,103	40.0
By top brands	**1989**	**1988**	**% chg**
Universal City Studios	102,387	68,570	49.3
MCA home video	9,510	7,039	35.1
Universal Studios tours	5,873	3,729	57.5
WWOR TV	3,544	3,308	7.2

■ **Sales & earnings** ($ in millions)

Worldwide	1989	1988	% chg
Sales	3,382	2,900	16.6
Earnings	192	165	16.3
U.S.	**1989**	**1988**	**% chg**
Sales	2,718	2,328	16.7
Operating income	405	280	44.5
Division sales	**1989**	**1988**	**% chg**
Filmed entertainment	1,739	1,484	17.2
Music entertainment	765	661	15.7
Retail, mail order	275	313	(12.2)
Book publishing	189	176	7.7
Other operations	243	135	79.6
Broadcasting, cable	172	132	30.5

■ **Annual review**

MCA expanded its television and theme park businesses in 1989, but got snagged in its attempts to start a fifth TV network and to get its Universal Studios Florida attraction up and running.

MCA-TV in September teamed with Paramount Pictures' Paramount Domestic Television to jointly sell national ad time in their syndicated programs. The new sales entity, Premier Advertisers Sales, immediately became the fifth largest broker of TV advertising, behind the Big 3 networks and Fox Broadcasting Co.

Paramount and MCA at the same time were quietly planning a fifth TV network that would furnish programming to Fox affiliates on nights that the Fox network was dark. That plan fell apart when Premier failed to woo loyal Fox affiliates. MCA has not canned the idea yet.

MCA experienced another disappointment this May when it opened its Universal Studios Florida attraction 12 miles down the road from Disney-MGM Studios in Orlando.

MCA Recreation Services shot one of the most costly commercials ever, carrying a $2.4 million price tag and directed by Richard ("Lethal Weapon") Donner, to promote the park.

Even that couldn't spur attendance most of the summer, as crowds stayed away largely because the park's key rides—Jaws, Earthquake: The Big One and Kongfrontation—have worked intermittently or not at all. Ad spending for Universal's tour attractions rose 57% in 1989, to $5.9 million.

MCA's Universal Pictures boosted its market share to 16.6% of 1989's record $5 billion box office take, a significant increase over 9.3% in 1988 and 10.7% in 1987. Universal released between 18 and 20 films each of those years. Only Warner Bros. outpulled Universal in 1989. Universal garnered 17 Academy Award nominations, more than any other studio.

While Universal didn't have a runaway hit movie like Warner's "Batman" in 1989, it released strong films throughout the year and pumped up media spending to $102.3 million, a 57% increase.

Universal's "Back to the Future, Part II" was the No. 6 movie of 1989, and it was the studio's most heavily supported film, backed by $10.9 million in measured media. Ten other films were backed by $5 million-$10 million in measured spending: "Parenthood," "Field of Dreams," "Uncle Buck," "Sea of Love," "K-9," "Fletch Lives," "The 'Burbs," "The Dream Team," "Do the Right Thing" and "Always."

The renamed MCA/Universal Home Video, which boosted ad spending 35% to $9.5 million, sold 4 million videocassettes of the new release, "The Land Before Time," and had cross-promotions with the U.S. Postal Service and PepsiCo's Pizza Hut unit.

MCA/Universal Home Video and Universal Pictures in 1990 teamed to promote the theatrical release of "Back to the Future, Part III" and the video release of "Back to the Future, Part II" with a joint $18 million marketing effort.

MCA put its LJN Toys subsidiary up for sale.

■ **Headquarters**

MCA Inc.
100 Universal City Plaza
Universal City, Calif. 91608
(818) 777-1000

■ **Corporate personnel**

Lew R. Wasserman, chmn-ceo; Sidney J. Sheinberg, pres-coo.

■ **Division**

MCA Motion Picture Group
Universal City, Calif.

■ **Marketing personnel**

Thomas Pollock, chmn; Simon Kornblit, exec vp-worldwide mktg; Sally Van Slyke, sr vp-mktg, publicity & promo; David Sameth, sr vp-mktg & creative adv; Perry Katz, sr vp-mktg; Fred Mound, pres-distribution.

■ **Brands**

Universal Pictures

Ad agency: DDB Needham Worldwide, Los Angeles. Ken Kaess, exec vp-mgmt super; Gary Fountain, vp-acct super.

■ **Division**

MCA Home Entertainment Group
Universal City, Calif.

■ **Marketing personnel**

Robert Blattner, pres-MCA Universal Home Video; Louis Feola, exec vp-MCA Universal Home Video; Jerry Hartman, vp-Universal Pay Television sales & mktg.

■ **Division**

MCA Recreation Services
Universal City, Calif.

■ **Marketing personnel**

Jay Stein, pres; David Weitzner, pres-worldwide mktg; Max Goldberg, vp-corp sponsorships; Ronald Benson, pres-coo, Universal Studios Hollywood; Steven W. Lew, pres-ceo, Universal Studios Florida.

■ **Brands**

Universal Studios Hollywood, Universal Studios Florida, Yosemite Park & Curry Co.

Ad agency: Foote, Cone & Belding, Los Angeles. Steve Hayman, exec vp-gm; Bill Evans, sr vp-exec media dir; Tom Lesinski, acct dir.

■ **Division**

Spencer Gifts
Pleasantville, N.J.

■ **Marketing personnel**

John P. Hacala, pres; George Moser, pres-mail order; John Guest, sr vp-merch; Beth Schlansky, dir-licensing.

■ **Division**

Music Entertainment Group
Universal City, Calif.

■ **Marketing & in-house adv personnel**

Al Teller, chmn; Richard Palmese, exec vp-gm, MCA Records; Billy Brill, sr vp-promo, MCA Records; A.D. Washington, sr vp-black music promo, MCA Records.

■ **Division**

MCA Television Group
Universal City, Calif.

■ **Marketing & in-house adv personnel**

Alvin Rush, chmn; Kerry McCluggage, pres-Universal Television; Shelly Schwab, pres-MCA TV; James M. Kraus, sr vp-dir, sales-MCA TV; Bobbi Fisher, sr vp-sales, MCA TV; David H. Brenner, sr vp-advertiser sales, MCA TV; Morton A. Slakoff, sr vp-creative svcs, MCA TV.

RANK: 7

McDonald's Corp.

Oak Brook, Ill.
Ad spending: **$774.4** million

■ **U.S. ad spending** ($ in thousands)

By media	1989	1988	% chg
Magazine	669	6,371	(89.5)
Newspaper	527	351	50.2
Outdoor	5,919	6,306	(6.1)
Network TV	252,066	245,389	2.7
Spot TV	141,268	128,102	10.3
Syndicated TV	17,409	12,516	39.1
Cable TV networks	7,223	1,791	303.2
Spot radio	6,697	5,158	29.8
Measured media	431,778	405,984	6.4
Unmeasured	342,600	322,100	6.4
Total	774,378	728,084	6.4
By top brands	**1989**	**1988**	**% chg**
McDonald's restaurants	424,790	400,528	6.1

■ **Sales & earnings** ($ in millions)

Worldwide	1989	1988	% chg
Sales	6,142	5,566	10.3
Earnings	727	646	12.5
U.S.	**1989**	**1988**	**% chg**
Sales	3,923	3,716	5.6
Operating income	995	908	9.6
Division sales	**1989**	**1988**	**% chg**
Company-operated restaurants	4,601	4,196	9.7
Revenue from franchisees	1,464	1,325	10.5
Other revenues	77	45	71.1
Systemwide results	**1989**	**1988**	**% chg**
Company-operated restaurants	4,601	4,196	9.7
Franchisees	11,219	10,424	7.6
Affiliates	1,513	1,444	4.8
Total systemwide sales	17,333	16,064	7.9

■ **Annual review**

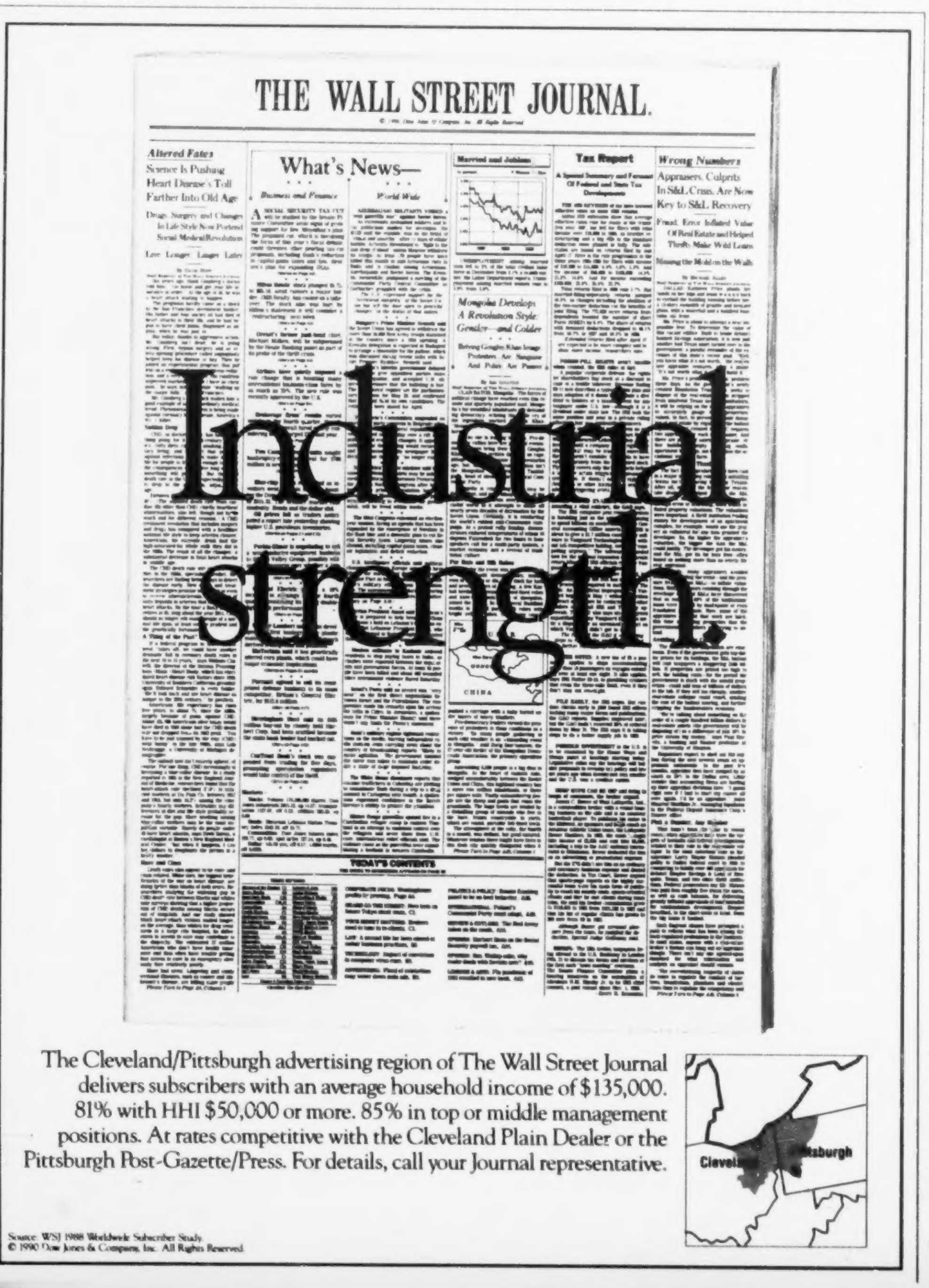
McDonald's Corp. adopted a new ad theme, "Food, folks and fun," replacing the long-running "Good time. Great taste." in May 1990. The choice of words was significant because the good times of easy sales growth and little serious competition seem to be coming to an end.

The company is accelerating the rate of change in the kind of food it serves—the emergence of McDonald's Pizza is testimony to that—and is trying harder through advertising and promotion to project a fun image.

It remains the largest restaurant company in the world, but in 1989, its 35th year, its rate of growth slowed, especially in the U.S. Total systemwide sales were up 7.9% in 1989 to $17.33 billion, but domestic sales growth was up 5.6%, while overseas sales rose 13.6%.

McDonald's average restaurant open at least one year registered sales of $1.62 million in 1989, a 1.6% increase over 1988. That was less than the percentage McDonald's raised its menu prices, according to analysts. In other words, a bad year.

To help sales grow, McDonald's opened a record 649 new restaurants in 1989; 363 domestically, 286 outside the U.S. The



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building continues, especially overseas. On Jan. 31, 1990, McDonald's opened in Moscow the first of a projected 20 restaurants in the Soviet Union.

McDonald's share of the sandwich market was 36.1% in 1989, according to *Nation's Restaurant News*, more than double No. 2 chain Burger King's 17.13% share. McDonald's market share was down a bit from 1988's 36.84%, but that was due more to expansion in the market than to its sales stagnation. Lower than expected sales actually resulted in a boost of the ad/promo to sales percentage to 6.8%, or $1.09 billion. Based on anticipated higher sales entering 1989, the company had whittled such spending to 6.3% from 6.4% in 1988.

The fast-food giant has endeavored to make its marketing dollars work harder by juggling allocations for media advertising, increasing promotional programs and offering new menu items.

The company remained a top network TV advertiser. Its spending in that medium was up only 2.7% to $252.1 million in 1989. But it boosted spending on spot TV by 10.3%, syndicated TV by 39.2% and network cable TV by 200%.

Much of the estimated $330 million McDonald's spent on unmeasured media in 1989 went to promotions. Promotional marketing efforts have been expanded so that there is always at least one special marketing program under way at any given time.

Promos have been expanding into new areas in 1990. This month, McDonald's began running a major in-store game in conjunction with the beginning of NBC-TV's new season of programming. In June, McDonald's sponsored the national concert tour by the popular teen group New Kids on the Block.

McDonald's in 1990 signed as the official restaurant sponsor of both the NASCAR and CART auto-racing circuits and runs national and local promotions tied to those sponsorships.

McDonald's never forgets the children who have been its most loyal—and most heavily targeted—customers. In June 1990 it ran the "$40 Million Crimestopper Game" tied to the movie "Dick Tracy" and in 1989 ran a Christmas promotion tied to another Walt Disney Co. film, "The Little Mermaid." It also has promotions tied to such popular characters as Mr. Potato Head, the comic strip "Peanuts" cast and Nintendo's Super Mario Bros.

The 12-inch pizza, which entered the menu last year, will be in 200 stores by 1990. Under test is pasta in Scranton, Pa.; fried chicken and a Breakfast Burrito in Texas; Fish & Chips in Washington; and McFish Fry in Wisconsin.

Under fire from some nutritionists about high levels of fat and cholesterol in some of its foods, McDonald's in 1990 added bran muffins and cold cereals to its breakfast menu, added low-fat frozen yogurt and lower-fat shakes and said it will convert to 100% vegetable oil by the end of 1990 for cooking its french fries. In August 1990 it began testing a low-calorie, low-fat grilled chicken breast sandwich in five markets.

The accelerated rate of change has come under the direction of Michael Quinlan, who moved up to chairman from president in March 1990, succeeding Fred Turner, who retired. David Green, previously VP-national marketing, took over the post of senior VP-marketing in June, following the retirement of Peter Nelson.

■ Headquarters

McDonald's Corp.
One McDonald's Plaza
Oak Brook, Ill. 60521
(708) 575-3000

■ Marketing personnel

Paul D. Schrage, sr exec vp-chief mktg officer; Richard G. Starmann, sr vp-comms; David B. Green, sr vp-natl mktg; Roy T. Bergold, vp-adv; Ronald W. Miessler, vp-comms svcs; Jim Rand, vp-mktg svcs; Charles L. Rubner, vp-comms; Sandy Silver, asst vp-natl adult mktg; Linda Kravitz, asst vp-natl youth mktg; Laurie Grace, vp-intl mktg; Roger Lipker, dir-sports mktg; Thom Kettle, dir-new prods mktg; George Griggs, dir-field mktg; Don Lorr, dir-mktg rsch; Jerry Powers, dir-mktg svcs; Jan Kramer, dir-real estate mktg; Court Kenaston, dir-intl mktg; Karen Dixon-Ware, dir-mktg media; Mike Gordon, dir-intl comm; Bridget Marshall, dir-pr; Chuck Ebeling, dir-corp comms; Terri Capatosto, dir-media relations.

■ Brands

McDonald's

Ad agency: Leo Burnett USA, Chicago. Jim Shymkus, exec vp-client svcs dir; Jerry Conner, Barry Krause, sr vps-acct dirs; David Heggen, Nina Abnee, Michael Tam, Tom Claggett, Trish Anastos, Paul Driggs, Tony Weisman, acct supers.

Black consumer mktg

Ad agency: Burrell Advertising, Chicago. Linda Pharr, sr vp-mgmt super; Will Adkins, vp-acct dir; Rob Jackson, vp-acct super.

Hispanic consumer mktg

Ad agency: Castor Advertising, New York. Castor Fernandez, chmn.

Sales promotion

Ad agency: Frankel & Co., Chicago. James Mack, exec vp; Rick Bollinger, Bob Schneider, vps-mgmt reps.

Ad agency: Simon Marketing, Chicago/Los Angeles. Allan Brown, chmn; Paul Marcus, exec vp; Jay Babineau, sr vp; Norm Kerr, vp.

Public relations

Ad agency: Golin/Harris, Chicago. Jack Daly, exec vp-media relations; Don Ingle, sr vp-pr & sports.

Black consumer public relations

Ad agency: Burrell public relations, Chicago. Jim Hill, pres; Michael Bateman, asst vp.

Charlie goes on diet?

Charlie the Tuna is reported to be making a comeback as StarKist's (Heinz) animated authority, but in slimmer form. Agency Leo Burnett USA declines comment.

RANK: 70

Mobil Corp.

Fairfax, Va.
Ad spending: **$156.3** million

■ U.S. ad spending ($ in thousands)

By media	1989	1988	% chg
Magazine	4,496	5,176	(13.1)
Sunday magazine	28	63	(54.9)
Newspaper	3,641	6,728	(45.9)
Outdoor	28	26	6.6
Network TV	12,118	12,203	(0.7)
Spot TV	14,653	12,002	22.1
Syndicated TV	4,180	3,020	38.4
Cable TV networks	1,890	990	90.9
Network radio	427	317	34.6
Spot radio	6,505	6,767	(3.9)
Measured media	47,966	47,292	1.4
Unmeasured	108,300	106,800	1.4
Total	156,266	154,092	1.4

By top brands	1989	1988	% chg
Mobil gasoline & oil	21,770	22,984	(5.3)
Hefty storage bags	12,940	13,036	(0.7)
Hefty wastebaskets	3,159	0	NA

■ Sales & earnings ($ in millions)

Worldwide	1989	1988	% chg
Sales	58,188	54,361	7.0
Earnings	1,809	2,087	(13.3)

U.S.	1989	1988	% chg
Sales	19,191	17,411	10.2
Earnings	809	997	(18.9)

Division sales	1989	1988	% chg
Petro exploration production	4,824	4,852	(0.6)
Petro marketing, refining	46,615	44,567	4.6
Chemicals	4,039	4,280	(5.6)

■ Annual review

Saddam Hussein's August invasion of Kuwait and the ensuing embargo on Iraqi and Kuwaiti oil was a temporary boon for Mobil Corp. and the U.S. oil patch. But experts say a long-term stand-off could be damaging and a shooting war disastrous.

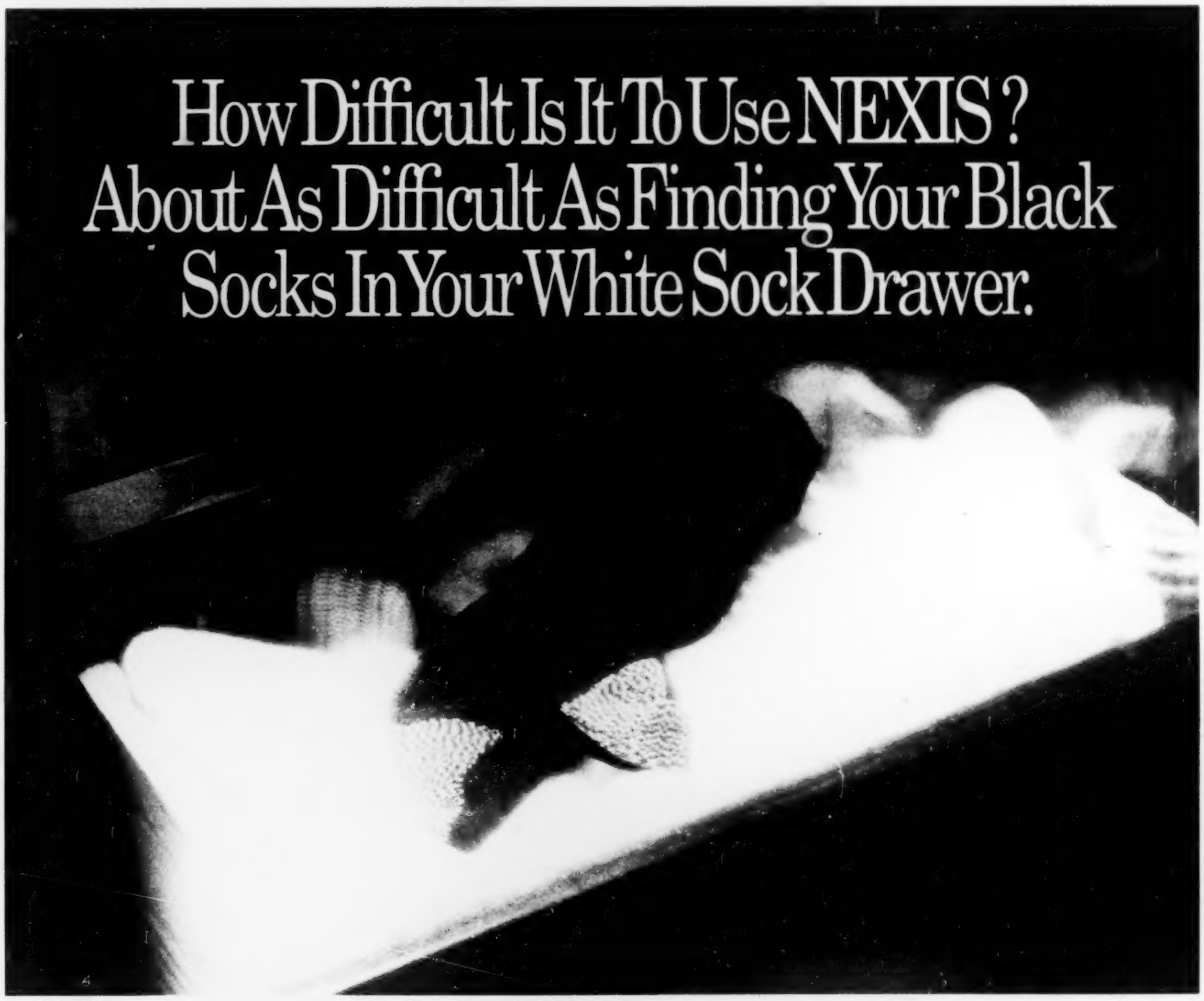
Whatever the effect either scenario will have on media spending, it is clear Mobil will be fighting back with advertising. Shortly after the invasion when gasoline prices were soaring, Mobil was first to lash out against critics accusing the industry of reaping fat profits from the conflict.

In a newspaper ad titled "Where's the rip-off?" Mobil insisted that it wasn't passing on the full weight of price increases to consumers. Greater use of such issue-oriented ads would likely reverse cutbacks in measured totals for corporate newspaper ROP spending, which fell 45% to $3 million in 1989, according to LNA/Arbitron.

Gasoline brand advertising by Mobil and other big oil companies virtually dried up in the 30 days after the invasion, as consumer demand remained strong in the face of soaring prices. Assuming the gulf stand-off continues, product advertising is likely to return to normal levels to prevent loss of consumer loyalty.

The oil companies also did not shelve their advertising during the OPEC-sponsored oil embargo in 1973. It plummeted initially, only to be replaced by public service-style ads urging conservation.

Mobil's measured spending for gasoline advertising grew 14% in 1989 to $9.5 million, mostly spot TV. Mobil held a 7.4% share of U.S. gasoline sales in 1989, putting it in fifth place behind Shell at 8.8%; Chevron, 8.3%; Exxon, 7.8%; and Texaco, 7.5%, according to *National Petroleum News*, Des Plaines, Ill.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Measured spending for Mobil 1 motor oil grew 3% in 1989 to $9.1 million.

Mobil Chemical Co. spent a measured $16.9 million on the Hefty bag brand in 1989, up 10%, including $3.2 million on Hefty wastebaskets, a new line of molded plastic waste containers.

In a running battle with First Brands' Glad bags for market leadership, Mobil spent $12.3 million of the Hefty brand total on Hefty Tall Kitchen and Trash Bags, all of which was on TV.

Mobil in March 1990 said it would remove the word "degradable" from boxes of its Hefty plastic trash bags, bowing to demands by environmental groups and the threat of legal action from the attorneys general of seven states. Mobil later settled degradability claims on Hefty products with Wisconsin and Texas, but still is being probed by five states and the FTC.

Mobil also completed in August 1990 the move of all headquarters operations from New York to Fairfax, Va.

■ Headquarters

Mobil Corp.
3225 Gallows Road
Fairfax, Va. 22037
(703) 846-3000

■ Corporate personnel

Allen E. Murray, chmn-pres-ceo.

■ Brands

Corp adv

Ad agency: DDB Needham Worldwide, New York. Lawrence Iannuzzelli, exec vp; Anne Oliver, vp-mgmt super.

■ Division

Mobil Oil Corp.
Fairfax, Va.

■ Corporate personnel

Richard F. Tucker, vice chmn-pres-coo; Eugene A. Renna, pres-Mobil Mktg. & Refining, Worldwide; Robert O. Swanson, exec vp-intl mktg & refining. Mobil U.S. Marketing & Refining Div.: Joseph L. Cooper, pres; Robert J. McCool, vp-US mktg; Andy Spiess, genl mgr-mktg svcs.

■ Brands

Mobil auto gasoline, Mobil 1 oil

Ad agency: DDB Needham Worldwide, New York. Lawrence Iannuzzelli, exec vp; Bill Mattes, sr vp-mgmt super; Jose Banzon, acct super; Lisa Rimberg, acct exec.

■ Division

Mobil Chemical Co.
Fairfax, Va.

■ Marketing personnel

Philip W. Matos, pres.; Jeffrey A. Jones, business mgr-waste mgmt prods.

■ Brands

Hefty Bags, Baggies, Kordite

Ad agency: Wells, Rich, Greene, New York. Dick Byrne, exec up; Lisa Partrick, vp-mgmt super; Stuart Westland, acct super; Christian Difalco, acct exec.

RANK: 49

Montgomery Ward & Co.

Chicago
Ad spending: **$213.6** million

■ U.S. ad spending ($ in thousands)

By media	1989	1988	% chg
Magazine	359	34	944.2
Sunday magazine	6	173	(96.5)
Newspaper	67,248	62,001	8.5
Outdoor	4	13	(72.4)
Spot TV	23,236	4,849	379.2
Spot radio	16,373	10,232	60.0
Measured media	107,226	77,303	38.7
Unmeasured	106,400	76,700	38.7
Total	213,626	154,003	38.7

By top brands	1989	1988	% chg
Montgomery Ward misc	35,861	22,527	59.2
Montgomery Ward household	29,657	25,510	16.3
Montgomery Ward apparel	11,061	9,017	22.7
Montgomery Ward automotive	7,730	5,643	37.0
Montgomery Ward jewelry	3,569	2,395	49.0
Montgomery Ward sport	2,615	1,690	54.7

■ Sales & earnings ($ in millions)

Worldwide	1989	1988	% chg
Sales	5,323	5,452	(2.4)
Earnings	151	146	3.4

■ Annual review

Montgomery Ward & Co.'s repositioning as a specialty retailer continues its slow but steady pace as it spends heavily on expansion and advertising.

The ninth largest retailer recently linked with Thrifty Rent-A-Car for in-store presence and signed three new celebrity spokeswomen as it continued to revamp full-line stores and add free-standing specialty shops.

Top management has been reshuffled, reflecting the emphasis on expansion, to prepare for the opening of 53 new stores by the end of 1991.

In July, Thrifty Rent-A-Car agreed to open offices in Ward's stores in 15 cities and will accept Ward's credit cards this fall. The test agreement calls for as many as 20 rental offices installed in Ward's stores by yearend. Possible joint advertising or direct marketing programs are in the works.

Three female celebrities will appear in print and TV ads by fall, continuing increased spending in those media. Chris Evert, Elle Macpherson and Connie Sellecca signed their name to new lines of contemporary apparel—part of Ward's effort to build name brand credibility.

Adding a wide range of national brands to its private label merchandise is paying off. Ward's is a leading retailer in sales of Maytag appliances, Sealy bedding products, La-Z-Boy furniture and NAPA auto parts.

Three prototypes of the new full-line specialty store under one roof opened in late '89 clustering Electric Avenue, Home Ideas, The Apparel Store and Auto Express. Each division has an individual exterior entrance and is joined inside by a central midway with customer services.

~Existing stores are continually being converted to the specialty strategy and more stand-alone stores are opening in strategic markets, as well as near existing department stores in order to further leverage advertising. About a half dozen new markets will be entered in early 1991.

Five free-standing Kids Stores opened in Chicago in October. This children's apparel chain, featuring a high selection of merchandise, faces stiff competition but hopes to niche itself by targeting middle-income shoppers. The company is pleased with its results. Its newly-licensed Raggedy Ann and Andy line averages about 15% of the total merchandise mix.

Thirty-eight of the total new stores should be opened by yearend '90 and 20 new full-line stores by yearend '91, with at least half a dozen in new markets including Savannah, Ga. Ward's currently operates 336 stores in 39 states.

Although Ward's employment level dropped by 2,600 in 1989, it plans to staff up with 10,000 more by 1991 to run the new stores.

Chairman-CEO Bernard Brennan plans a high concentration of spot TV advertising for each new market and estimates the full-line stores (21 by end of 1991) planned for new markets will add about $400 million in sales.

Growth in ad spending in 1989 is credited mostly to spot TV and spot radio, which Ward's tried out for the first time in late 1988. Magazine spending also received a sizable increase.

The retailer's main campaign theme via Saffer USA Advertising continues to emphasize value-pricing on name brands. Chicago-based Saffer, which won the account in 1988 succeeding Young & Rubicam, faces a possible loss of the $15 million account as Montgomery Ward & Co. announced an agency review in mid-September.

■ Headquarters

Montgomery Ward & Co.
Montgomery Ward Plaza
Chicago, Ill. 60671
(312) 467-2000

■ Marketing personnel

Bernard F. Brennan, chmn-ceo; William J. McCarthy, pres-mktg; Dale Pond, sr vp-mktg; Ron Gilmore, media dir; John Bulgarella, dir-adv & promo planning; Jim Neustadt, creative dir-specialty stores.

■ Brands

Montgomery Ward

Ad agency: Saffer USA Advertising, Chicago. Nancy Bernstein, acct mgr.

RANK: 11

Nestle SA

Vevey, Switzerland
Ad spending: **$608.4** million

■ U.S. ad spending ($ in thousands)

By media	1989	1988	% chg
Magazine	77,202	62,651	23.2
Sunday magazine	3,352	3,562	(5.9)
Newspaper	2,525	1,822	38.6
Outdoor	158	789	(80.0)
Network TV	125,642	105,892	18.7
Spot TV	53,393	68,062	(21.6)
Syndicated TV	33,291	25,489	30.6
Cable TV networks	5,298	4,955	6.9
Network radio	8,112	5,666	43.2
Spot radio	2,700	4,291	(37.1)
Measured media	311,674	283,179	10.1
Unmeasured	296,700	269,600	10.1
Total	608,374	552,779	10.1

By top brands	1989	1988	% chg
Stouffer frozen entrees	38,192	31,541	21.1
L'Oreal hair coloring products	21,168	13,971	51.5
Taster's Choice coffee	19,558	18,977	3.1
Nestle candy	18,448	13,744	34.2
L'Oreal Plenitude skin cream	12,331	159	NA
Lancome creams & lotions	11,940	10,009	19.3
Nestle mixes & baking products	11,440	14,597	(21.6)
L'Oreal hair styling products	11,006	13,250	(16.9)
Coffee-Mate non dairy creamer	9,250	7,133	29.7
Friskies cat food	9,022	7,704	17.1

■ Sales & earnings ($ in millions)

Worldwide	1989	1988	% chg
Sales	29,470	27,051	8.9
Earnings	1,480	1,355	9.2

■ Notes: Sales and earnings figures are converted at the rate of 0.6135 dollars to the Swiss franc in 1989.

Nestle SA continued to build its U.S. market presence by funneling increased ad spending behind its major U.S. units, Carnation Co., Cosmair and Nestle Foods, realigning its advertising agencies and reconfiguring compensation arrangements while seeking greater international marketing hegemony in a joint venture deal with General Mills.

Nestle and General Mills formed Cereal Partners Worldwide (CPW) in 1989 to market breakfast cereals worldwide. CPW then bought the U.K. cereal business of Ranks Hovis McDougall PLC, giving the new unit an instant 15% of the $1 billion U.K. cereal market.

General Mills, a minor player in the European cereal market, sought out Nestle because of its marketing power in Europe where the cereal market is expected to grow to about $6 billion by the late 1990s, quadrupling its current size.

Carnation Co. in early 1990 consolidated consumer advertising in the Los Angeles offices of two Interpublic-owned shops, Dailey & Associates and McCann-Erickson Worldwide.

Dailey secured its position as Carnation's primary agency, while McCann was a new agency for the food and pet foods marketer. Carnation pulled all its brands from another Interpublic shop, Lintas:New York, and two other agencies, Ogilvy & Mather, Los Angeles, and Bloom Cos., Dallas.

Early this year, Carnation expanded an agency incentive program after testing the idea in 1989. The program links agency compensation to how ads score in research, production cost controls and other factors.

Carnation this year recast its problematic infant formulas, introduced in 1988. In early 1989, Carnation had dropped the controversial positioning of Good Start H.A. starter formula as "hypoallergenic" but refused to change the brand's name; last spring, it quietly dropped "H.A." from the title.

After spending $4.3 million in measured media in 1989 to promote Good Nature formula for older babies, the company renamed it Carnation Follow-Up Formula. Carnation has managed only an estimated 2% to 3% share of the $1.6 billion U.S. formula market.

Carnation entered the dog treat business in June 1990 by buying Superior Brands, with sales of $60 million. In July 1990, Carnation turned over marketing of Perform, its premium direct-market pet food, to SmartPets, a mail-order pet products marketer.

Carnation claimed a 13.9% share of the $6.21 billion pet foods market in 1989, up 1.2 share points from 1988, but still far behind leader Ralston Purina at 27%, according to John C. Maxwell Jr., analyst with Wheat, First Securities. Its cat foods lines performed better than dog food, reflecting similar trends among other players in the industry.

The Friskies cat food brand got $9.8 million, up 12.7%, according to LNA/Arbitron; its Friskies Buffet trailed only Heinz's 9-Lives (20.5% versus 9% of dollar value) in the canned cat food subcategory valued at $1.4 billion. Carnation's Fancy Feast, backed with $8.1 million, down 34.6%, took 12.4% of the subcategory.

Carnation held down the No. 3 and No. 4 positions in the canned dog food subsegment valued at $1.06 billion with Mighty Dog at 8.4% of market, down from 9.3%, and Grand Gourmet at 6.5%, up from 5.3%. Mighty Dog got $5.8 million in media backing, up 13.7% and Grand Gourmet was backed with $5.3 million, down 43.6%.

Carnation in January 1990 introduced nationally Coffee-mate Liquid, an extension of its powder non-dairy creamer, with an $18 million campaign.

Nestle joined the Nestle Foods' coffee units with Hills Bros. Coffee Co. to form the Nestle-Hills Coffee Co. This new entity, based in San Francisco, now handles Nescafe, Hills Bros., Taster's Choice, MJB, Chase & Sanborn and Sakes and Zoegas.

Nestle's market share for regular coffee (Hills Bros., MJB, Chase & Sanborn, Taster's Choice) rose to 13.5% in 1989 from 13%, according to Mr. Maxwell. It trailed Procter & Gamble at 32.2%, up 0.4 share points, and General Foods at 32.1%, down 0.9. In instant coffees (Nescafe, Taster's Choice, Sunrise, etc.), the company hit a 33.6% share, up 0.5 share points from 1988. Nestle backed its coffees with $33.5 million in 1989, down 9.5%. Spending decreases were monitored for virtually all lines.

Nestle was led by Hills Bros. among regular coffees with a 7.8% share (P&G's Folgers led all at 32.2%). Nestle's 17.3% share for regular and decaf Taster's Choice placed it No. 2 in instant coffees behind P&G's Folgers regular and decaf at 23.1%.

Following the coffee business consolidation, Nestle pulled its Taster's Choice account, valued at $25 million, from Della Femina, McNamee and placed it with McCann-Erickson Worldwide, which also handles all Cosmair advertising. Della Femina also lost the Lean Cuisine line to Tatham-Laird & Kudner, Chicago, but retained Stouffer's frozen foods.

Nestle merged the Stouffer Restaurant Co. and the Stouffer Hotel Co. to form the Stouffer Hospitality Group, headquartered in Cleveland. In addition, Nestle's ice cream and dairy business was consolidated with Carnation to form the Nestle Ice Cream Co.

Stouffer, which leads the $3.2 billion frozen entrees market with its red box and Lean Cuisine entrees, was challenged earlier this year by Kraft General Foods national launch of its 16-item blue box line. Advertising behind the blue box line, estimated at $10 million-$15 million, compared the quality of its ingredients with those in the red box line.

Stouffer also has been challenged this year with comparative ads from Geo. A. Hormel & Co.'s Top Shelf shelf-stable entrees. Stouffer's red box line in 1989 held 12.2% of market, down from 12.8%. Stouffer's Lean Cuisine dropped to 11.25% from 11.7%. Kraft GF's share rose to 11.6% from 11.1%. H.J. Heinz Co.'s Weight Watchers was the category growth winner with 10.5%, up from 9.9%, according to Arbitron/SAMI.

Nestle Foods purchased Baby Ruth, Butterfinger and Pearson candies from RJR Nabisco. Subsequently, the $10 million Baby Ruth/Butterfinger account was awarded to Jordon, McGrath, Case & Taylor from Lintas:New York. The new candy bars helped boost Nestle's share in the $5.1 billion candy market to 12% from 7% in 1988, behind Hershey at 40% and Mars at 36%.

After Eight dinner mints and Turtles candy accounts were awarded to J. Walter Thompson USA, while Nestle Enterprises shifted its $3 million corporate advertising account to Wyse Advertising, Cleveland. Nestle Foods daytime network TV media buying was awarded to Jordan, McGrath, Case & Taylor, New York.

The realignment of many of its agency relationships is a reflection of Nestle's policy of aligning brands to agencies designated as "preferred" based on the belief that this provides enough clout with these agencies so they won't work for Nestle competitors.

Cosmair boosted its cosmetics ad budget this year by about 30% for new product launches following several successful introductions in 1989. Majority owned by Nestle, it is the U.S. licensee of L'Oreal. Nestle also is a minority owner in Gesperal, a holding company that owns a majority of L'Oreal.

L'Oreal is adding Plenitude Action Liposomes to its mass-market skincare line (which competes directly with P&G's Oil of Olay). Plenitude was backed with $12.5 million in advertising for the six months it was marketed in 1989, according to LNA/Arbitron. Plenitude is the mass-market leader in France and may have achieved first-year sales of $10 million-$15 million largely in drugstores, according to Diane Temple, analyst with Salomon Bros. The U.S. skincare market was expected to reach $4.56 billion in 1990, up 9%, according to Ms. Temple.

L'Oreal haircoloring market share in supermarkets was 24.7%, down 0.1 share points. The leader was Bristol-Myers Squibb's Clairol at 70.4%, up 2.4 share points. L'Oreal's top haircoloring line is Preference, backed by $14.9 million in media in 1989, up 20.2%.

L'Oreal hair styling products (Free Hold, L'Oreal setting lotion, Studio) claimed 11.5% of supermarket category sales, down from 19.9% in 1988, as Helene Curtis (Suave, Finesse, Salon Selectives) passed it with a leading 14.9% share. Ad spending for Studio also dropped 34% to $11.8 million.

■ Headquarters

Nestle SA
363 Case Postale
1800 Vevey
Switzerland

Nestle Enterprises
5757 Harper Road
Solon, Ohio 44139
(216) 349-5757

■ Corporate personnel

James M. Biggar, chmn.

■ Division

Carnation Co.
Glendale, Calif.

■ Marketing personnel

Timm F. Crull, pres-ceo; John McMennamin, vp-mktg svcs; Anne Fox, dir-media; Lou Carlo, pres-gm, dairies div; Stephen Cunliffe, pres-gm, pasta & cheese; John Harris, vp-gm, Carnation prods div; Fred Hull, pres-Nestle/Carnation Food Service Co.; Gordon James, vp-gm, culinary prods div; Ernie Strapazon, vp-gm, nutritional prods div; Chuck Weil, vp-gm, Friskies PetCare div.

■ Brands

Spot radio buying

Ad agency: Bloom Cos., Dallas. Mark Bateman, sr vp-mgmt super.

Carnation Bon Bons Ice Cream Nuggets, Carnation Deluxe Ice Cream, Carnation Hot Cocoa, Carnation Instant Breakfast, Carnation Malted Milk, Coffee-mate, Contadina canned tomato prods, Contadina pasta sauce, Libby's canned meats, Libby's pumpkin, Libby's salmon, Come 'N Get It dog dood, Fresh Catch cat food, Friskies cat foods, Grand Gourmet dog food, Mighty Dog dog food, new products, sales promo

Ad agency: Dailey & Associates, Los Angeles. Brian Morris, exec vp-dir, client svcs; Robert Berger, sr vp-mgmt super; John O'Meara, vp-mgmt super.

Buitoni, Carnation Follow-Up Formula infant formula, Contadina Fresh pasta & sauces, Fancy Feast cat food

Ad agency: McCann-Erickson Worldwide, Los Angeles. Alan Burgis, sr vp-mgmt rep; Arlene Spector, vp-acct dir.

Direct mktg: Carnation Follow-Up Formula infant formula

Ad agency: McCann Direct, New York. Keith Weld, vp-mgmt super.

Professional medical adv: Carnation Follow-Up Formula, Good Start infant formulas

Ad agency: M.E.D. Communications, Woodbridge, N.J. Robert Portman, pres; Randi Kessler, acct super.

Black adv: Coffee-mate

Ad agency: E. Morris Ltd., Chicago. Karen Conorqui, vp-acct super.

Hispanic adv: ice cream, Carnation Follow-Up Formula, Coffee-mate

Ad agency: La Agencia de Orci & Asociados, Los Angeles. Roberto Orci, sr vp-acct mgmt rep; Macuqui Orci, acct super.

■ Division

Cosmair Inc.
New York

■ Corporate personnel

Jacques Correze, chmn; Guy Peyrelongue, pres-ceo.

■ Brands

L'Oreal hair care, L'Oreal cosmetics, Paloma Picasso, Cacharel Anais Anais, Lou Lou, Drakkar Noir, Biotherm

Ad agency: McCann-Erickson, New York. Beth Lynch, grp head; Donna Goldberg, Stacey Shokin, planners.

Armani fragrances, Lancome products, L'Oreal Plenitude skincare line

Ad agency: Publicis, New York. Fred Rhines, pres; Anne Lacome, sr acct exec.

■ Division

Nestle-Hills Coffee Co.
San Francisco

■ Marketing personnel

Barry Reis, vp-mktg.

■ Brands

Hills Bros., Chase & Sanborn, Nescafe, MJB, Taster's Choice

Ad agency: McCann-Erickson Worldwide, New York.

■ Headquarters

Nestle Foods Corp.
Purchase, N.Y.

■ Marketing personnel

Frank J. Anhofer, grp vp-chocolate; C. Larry Davis, grp vp-devel business; Steve Kubinski, dir-adv.

■ Brands

Nestle Crunch Bar, Goobers, Raisinets, Bit-O-Honey, Nestle Hot Cocoa Mix, Crunch Ice Cream Bars, 100 Grand Bar, Laffy Taffy, Baby Ruth, Butterfingers

Ad agency: Jordan, McGrath, Case & Taylor, New York. John Taylor, exec vp; Stephen Badenshop, sr vp-mgmt super.

Nestea, O'Henry, Chunky, Nestle Bars, Alpine White, After Eight, Turtles, Tollhouse, Nestle Morsels, Nestle Frozen Ready to Bake

Ad agency: J. Walter Thompson, USA, New York. Steven Dorwin, sr vp.

■ Division

Stouffer Foods Corp.
Solon, Ohio

■ Marketing personnel

Gerald DeCroce, vp-mktg.

■ Brands

Lean Cuisine, new products

Ad agency: Tathum-Laird & Kudner, Chicago. Robert Hoetscher, sr partner-dir, client svcs.

■ Division

Stouffer Hospitality Group
Solon, Ohio

■ Marketing personnel

Dr. Ronald Nykiel, sr vp-mktg.

■ Brands

Stouffer Hotels, Stouffer restaurants

Ad agency: Wyse Advertising, Cleveland. Marc Wyse, chmn; James Rucker, vice chmn; Lois Wyse, pres.

RANK: 83

News Corp.

Sydney
Ad spending: **$128.9** million

■ U.S. ad spending ($ in thousands)

By media	1989	1988	% chg
Magazine	12,583	5,776	117.9
Sunday magazine	93	130	(28.6)
Newspaper	19,787	21,613	(8.4)
Outdoor	134	82	63.8
Network TV	26,467	19,809	33.6
Spot TV	29,825	46,871	(36.4)
Syndicated TV	4,824	3,595	34.2
Cable TV networks	2,610	3,515	(25.7)
Network radio	2,194	9,734	(77.5)
Spot radio	24,759	13,360	85.3
Measured media	123,275	124,484	(1.0)
Unmeasured	5,600	5,700	(1.8)
Total	128,875	130,184	(1.0)

By top brands	1989	1988	% chg
20th Century Fox movies	52,365	58,813	(11.0)
TV Guide	18,720	36,530	(48.8)
Fox Broadcasting Co	13,858	4,649	198.1
Harper & Row	2,270	1,877	20.9
KTTV TV	1,467	1,466	0.1
KRIV TV	1,444	1,065	35.7
WFLD TV	1,330	762	74.6
WTTG TV	1,178	750	57.0
Boston Herald	1,152	1,662	(30.7)
Soap Opera Digest	1,126	2	NA

■ Sales & earnings ($ in millions)

Worldwide	1989	1988	% chg
Sales	8,763	7,813	12.2
Earnings	282	497	(43.1)

U.S.	1989	1988	% chg
Sales	4,930	3,739	31.8
Operating income	799	585	36.6

Division sales	1989	1988	% chg
Newspapers	NA	1,859	NA
Magazines	NA	441	NA
Television	NA	408	NA
Filmed entertainment	NA	857	NA
Commercial printing	NA	188	NA
Other	NA	602	NA

■ Annual review

Rupert Murdoch is turning his gaze inward after a decade of consuming media properties which built News Corp. into a global giant and left the company an estimated $6 billion in debt.

Media analysts agree that Mr. Murdoch, who said the company will concentrate on existing business for the next several years, is under no pressure to spin off assets. They said a spate of sales earlier this year, however, indicate the company's desire to lessen its debt load.

News Corp. took on heavy debt in acquiring such properties as 20th Century-Fox, Triangle Publications, the Metromedia TV stations and the launch of Sky Television in the U.K. and Fox TV Network in the U.S. Apart from Sky, the other three operations represent the lion's share of News Corp.'s national media spending. Reduced advertising by *TV Guide* (Triangle), and 20th Century-Fox heavily influenced the overall 10% drop in the company's measured media.

"They are very highly leveraged and their operating results right now aren't very impressive," said Peter Apert, media analyst with Cyrus J. Lawrence. "Selling assets would help reduce the debt and that, in and of itself, is a desirable goal. But I don't see a fire sale by any means."

Last March, News Corp. shocked the publishing world when it sold the *Star* and its sister publication, *Weekly World News*, to *National Enquirer* publisher Macfadden Holdings, for $400 million. Two months later, News Corp.'s HarperCollins publishing subsidiary sold its J.B. Lippincott unit to Wolters Kluwer N.V., a Dutch publisher, for more than $250 million.

Murdoch Magazines this May sold *Sportswear International* and the rights to *In Fashion*, which it folded in 1989, to the magazines' former publisher, Michael Belluomo. The following month, News Corp. floated 49% of the stock in its Hong Kong papers, the *South China Morning Post* and *Sunday Morning Post*. The stock was snapped up by investors within 24 hours.

News Corp.'s net profit took a bashing in fiscal 1990, dropping 43% from fiscal 1989, largely from losses on Sky, its money-draining U.K.-based satellite-TV service and the impact of a pilots' strike in Australia where it owns a 50% stake in the domestic airline Ansett Transport Industries.

Mr. Murdoch has pledged long-term support for Sky. News Corp. execs expect the service to be breaking even on a month-to-month basis by late 1991.

In the U.S., Murdoch Magazines posted fairly strong results despite an ad page crunch affecting the entire magazine industry. Murdoch has introduced *Men's Life*, a magazine for men over 30, but suspended plans to launch a newsweekly developed by former *Self* editor Anthea Disney.

TV Guide—Mr. Murdoch's crown jewel—is trying to reverse an ad page and circulation slump while facing increased competition from rival TVSM, publisher of *The Cable Guide* and the new weekly *TV Time*. In response, *TV Guide* unveiled a series of themed ad packages this year and will begin testing a larger-size edition in several markets early next year.

Media spending on *TV Guide* was slashed by $18 million to $18.7 million in 1989, largely due to the magazine's decision to end its barter arrangement with local TV stations. The media mix split evenly between spot and network TV, a medium not even used in 1988 when spot claimed $25 million and network radio $9.5 million. Network radio advertising was shelved by the publication in 1989.

After losing an estimated $125 million in its first two years of operation, Fox TV Network posted its first profit for the fiscal year ended June 30. The fourth network signed an estimated $550 million in upfront business this summer, almost double last year's $300 million.

Ad spending backing the network rose a dramatic 108% to $37.4 million, largely divided between magazines ($10.5 million, up from $3.5 million) and spot radio ($23.5 million, up 75%).

Fox's success is largely attributed to the ratings success of such shows as "Married ... With Children" and "The Simpsons." Fox is increasing its offerings for the 1990-91 season, expanding its prime-time schedule to five nights, adding a two-hour children's block of programming on Saturday morning and an animated weekday half-hour series.

Movie studio 20th Century-Fox finished the year ranked No. 6 with a 6.5% share of box-office take in North America, a far cry from its 11.6% share in 1988 that placed it No. 3, according to *Variety*. The studio released 17 films compared to 14 the prior year and cut its media spending by 9.3% to $52.7 million, distributed largely between network and spot TV and newspapers. "Big" got the biggest dollar allotment of $10.5 million.

■ Headquarters

News Corp.
2 Holt St.
Sydney, Australia N.S.W. 2010

News America Publishing
10 E. 53rd St.
New York, N.Y. 10002
(212) 815-8606

■ Corporate personnel

Rupert Murdoch, ceo.

■ Marketing personnel

News America ~~Pu~~blishing: Rupert Murdoch, chmn; Martin Singerman, pres. Murdoch Magazines: Leslie Hinton, pres; Richard Hawkes, exec vp. Fox Inc: Barry Diller, chmn; Jonathan Dolgen, pres. Fox Television Stations: Greg Mathanson, pres. Fox Cable Programming: Robert Kreek, pres-coo. Fox Broadcasting Co: Jamie Kellner, pres-coo. HarperCollins Publishers: George Craig, ceo.

■ Brands

News America Publishing, Murdoch Magazines, Fox TV Stations, Fox Broadcasting, HarperCollins Publishers

Ad agency: (In-house). Leon Hertz, exec vp-News America Publishing, vp-global mktg, News Corp Ltd.

■ Subsidiary

Twentieth Century Fox Film Corp.
Los Angeles

■ Marketing personnel

Joe Roth, chmn.

■ Brands

Twentieth Century-Fox

Ad agency: J. Walter Thompson USA, Los Angeles. James Agnew, exec vp-genl mgr.

RANK: 99

Nike Inc.

Beaverton, Ore.
Ad spending: **$104.6** million

■ U.S. ad spending ($ in thousands)

By media	1989	1988	% chg
Magazine	18,930	16,660	13.6
Sunday magazine	2	9	(78.7)
Newspaper	330	277	18.9
Outdoor	292	77	277.9
Network TV	24,206	14,456	67.4
Spot TV	1,290	369	249.5
Syndicated TV	3,428	1,855	84.8
Cable TV networks	2,385	1,902	25.4
Network radio	0	335	NA
Spot radio	466	48	880.4
Measured media	51,328	35,987	42.6
Unmeasured	53,300	37,400	42.5
Total	104,628	73,387	42.6

By top brands	1989	1988	% chg
Nike sporting footwear	30,766	32,100	(4.2)
Nike sportswear	14,165	2,215	539.5
Side 1 sporting footwear	1,953	0	NA

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AMERITECH
AUDIOTEX SERVICES INC.

® Ameritech Audiotex Services Inc.

By top brands	1989	1988	% chg
Cole-Haan shoes	1 888	1 147	64 6
Nike	1 168	0	NA

Sales & earnings ($ in millions)

Worldwide	1990	1989	% chg
Sales	2 235	1 711	30 6
Earnings	243	167	45 5

U.S.	1990	1989	% chg
Sales	1 755	1 362	28 9

Division sales	1990	1989	% chg
Athletic footwear	1 369	1 058	29 4
Non-athletic footwear	121	96	26 0
Apparel	266	208	27 9
Foreign	480	349	37 5

Notes: Fiscal year ended May 31 1990

Annual review

Until it was targeted this August for a boycott by the civil rights organization Operation PUSH, Nike appeared to be on a roll.

Staking out the performance shoe market as its primary turf and—with agency Wieden & Kennedy—producing "Bo Knows" and other award-winning ads, the company took first place in the branded athletic shoe market in 1989 with a 24.8% share, topping Reebok International at 23.7%, which had led the market the previous three years.

Nike initially said it would make no changes in response to PUSH's criticisms of its affirmative action record and fought back by charging that PUSH and Reebok had financial ties. But in mid-August Nike announced a plan that would include naming a minority member to its board. Not good enough for PUSH, the boycott remains in effect.

The boycott is just one of the several factors placing Nike in a stiff marketing battle.

"The sneaker industry is driven by who has the best gimmick and who promotes best," said Gary M. Jacobson, industry analyst at Kidder Peabody. "Reebok had stumbled and other companies were not big enough to challenge Nike. Now that Reebok is back and other companies are focusing on Nike's market place, the competition should increase," said Mr. Jacobson.

Chairman-CEO Philip Knight gave his company a "D" grade in marketing to women in the 1988 annual report and Nike's record still hasn't improved, analysts said. Men represent 80% of Nike's business, according to Mr. Jacobson.

"By not doing a great job with women, Nike left a door open for companies like L.A. Gear and they took a lot of sales," said Frank Podbelsek of PaineWebber. Although L.A. Gear came in a distant third at 11% of market in 1989, it was up dramatically from 4.7%.

From "Bo Knows" to "Emotional Running," which won the Kelly Award, Nike's ads have been a story in themselves. Nike, which is continuing its "Just Do It" umbrella theme this year, recently broke a pro-education Bo Jackson spot (in which "Bo Knows Shakespeare"), having pledged $5 million of its $60 million ad budget to a pro-education campaign.

Other celebrities signed to the company include David Robinson, Michael Jordan, Spike Lee, Andre Agassi, John McEnroe, track star Lynn Jennings and Stacy Allison, who climbed Mt. Everest.

A major move by Nike in 1989 was to link apparel and shoes. That category catapulted from $1 million in 1988 to $13.3 million. As spending for just apparel decreased 0.6% to $1.6 million, spending for just footwear rose only 2.2% to $32.9 million, according to LNA/Arbitron.

Ad spending for non-sport footwear rose 166.3% to $3.1 million.

In mid-1989, Nike shifted its broadcast media buying account to SFM Media from Wieden & Kennedy which retained the remainder of Nike business.

Headquarters

Nike Inc.
3900 S.W. Nimbus
Beaverton, Ore. 97005
(503) 644-9000

Corporate personnel

Philip H. Knight, chmn-ceo.

Marketing personnel

Tom Clarke, dir-mktg; Andy Mooney, dir-footwear mktg; Stephen Gomez, dir-apparel mktg; Tim O'Kennedy, dir-intl mktg; Scott Bedbury, dir-adv.

Brands

Nike

Ad agency: Wieden & Kennedy, Portland, Ore. Dan Wieden, pres-adv creative dir; David Kennedy, chmn-creative dir; Dave Luhr, dir-acct svcs.

Broadcast media buying

Ad agency: SFM Media, New York. Bill Barrett, dir-client svcs; Robert Perlstein, dir-natl bdcast; Annette Mendola, dir-spot bdcast; Susie Schwarz, planning dir.

RANK: 37

Nissan Motor Co.

Tokyo
Ad spending: **$300.6** million

U.S. ad spending ($ in thousands)

By media	1989	1988	% chg
Magazine	31 339	35 826	(12 5)
Sunday magazine	836	342	144 6
Newspaper	5 321	8 076	(34 1)
Outdoor	391	977	(59 9)
Network TV	73 425	57 159	28 5
Spot TV	113,502	64,147	76 9
Syndicated TV	4,936	1,559	216 7
Cable TV networks	2,321	595	290 0
Spot radio	4,971	8,633	(42 4)
Measured media	237,043	177,312	33 7
Unmeasured	63,600	47,600	33 6
Total	300,643	224,912	33 7

By top brands	1989	1988	% chg
Nissan cars	173,595	118,623	46 3
Infiniti cars	31,406	0	NA
Nissan trucks & vans	24,188	48,540	(50 2)
Nissan car leasing	1,374	899	52 8

Sales & earnings ($ in millions)

Worldwide	1990	1989	% chg
Sales	26,600	23,867	11 5
Earnings	566	424	33 5

Notes: Fiscal year ended March 31, 1990

Annual review

Despite an infusion of new cars and the much ballyhooed entry of Infiniti, Nissan Motor Corp. in U.S.A., a subsidiary of Nissan Motor Co., Tokyo, got its biggest sales boost from improved sales performances of older cars and trucks, backed by its biggest ad budget.

Nissan's U.S. car/truck sales (imported and domestic production) were 663,416 units, up 3.2% from 1988 as Nissan claimed a 4.5% share of the total car-truck market, up from 4.15%. Nissan accounted for 5.1% of U.S. car sales, up from 4.4%, and 3.2% of the light-truck market, down from 3.4%.

Introduction last November of the new luxury Infiniti line, the $38,000 Q45 sedan and the $23,500 M30 coupe had the backing of a $60 million-plus campaign. Promotional efforts began in late August, however, with TV spots discoursing on product "philosophy" and abstract images of trees, rocks and sand—no car in sight.

More product-oriented second- and third-campaign phases came in February and in early spring. Nissan called the overall campaign a success, although Infiniti fell short of its sales goal despite a lot of showroom traffic. The line sold 1,723 units in December but only another 1,789 through June 1990.

Another sour note was the lackluster sales performance of the Axxess, a hybrid wagon/minivan introduced in 1989 but withdrawn from the market after just one model year. Sales, backed by $4 million in media advertising, totaled just 9,776 units as larger and more stylish minivans from other carmakers made the Axxess seem outdated.

U.S. sales performance in particular of the 240-SX sports coupe and the 300ZX model were brighter spots, especially that of the $19,000 Maxima, which sold 109,429 units, up 46.9%.

Maxima benefited from a TV-magazine campaign measured at $35 million, up 25%, heaviest for any Nissan model. Much of Maxima's promotion was based on its selection as 1989's most trouble-free car in a J.D. Powers & Associates survey.

Sales of Nissan's best-selling Sentra, an entry-level, sub-compact base priced at $7,399, accounted for 118,158 units, down 12.4%. Sentra received $15.2 million in media in 1989, down 10.5%, according to LNA/Arbitron.

Nissan's 1990 car lineup introduced an all-new sports car, the 300ZX Turbo, and in the compact category a new Stanza, intended to boost Nissan's share of the mid-sized sedan market dominated by Honda Accord, Toyota Camry and Mazda 626. Stanza had 42,736 sales in 1989, down 8.4%, although sales of 100,000 are projected for this year and 150,000 by 1992. Stanza's spending rose to $21.9 million, up from only $6.2 million in 1988.

The restyled 1990 Stanza compact is critical to Nissan's 1990 U.S. marketing plan. The Japanese importer spent an estimated $18 million on a three-week ad blitz last fall to position Stanza as a performance car for the family. Base price is $11,450.

The new Stanza campaign, like the rest of Nissan's 1990 model-year advertising, uses the theme "Built for the human race." The campaign is helping push Stanza sales to the 80,000 range for the model year.

Cash incentives to boost Stanza sales included a summer test-drive program, the "Stanza Challenge," offering $100 to anyone who took a test drive and still bought a competitive make compact—namely a Honda Accord or Toyota Camry. Nissan also paid dealer and customer incentives ranging from $300 to $1,500.

For the 1990 model year, Nissan is aiming for sales of about 660,000 units, though it has forecast a 6.6% industry-wide decline in auto and light-truck sales to about 14 million units. Its optimism of course is based on the anticipated 125% rise in Stanza sales.

TV is claiming about 85% of Nissan's 1990 national media budget of $200 million-plus; print will get the rest.

Nissan in 1989 set up Nissan North America, headquartered in Torrance, Calif. It will coordinate the 10 North American subsidiaries of Nissan Motor Co., Tokyo, including those of Nissan Motor Corp in U.S.A. They formerly reported to Nissan's North American Division in Tokyo.

Headquarters

Nissan Motor Corp in U.S.A.
P.O. Box 191
Gardena, Calif. 90247-7635
(213) 532-3111

Corporate personnel

Yoshikazu Hanawa, chmn-Nissan N. America; Tom D. Mignanelli, pres-Nissan div; Robert J. Thomas, vp-genl mgr, Nissan div; William Bruce, vp-genl mgr, Infiniti div.

Marketing personnel

Nissan: Jules Clavadetscher, genl sales mgr; Ron Hannum, genl mktg mgr; John Rinek, natl adv comms mgr; Karen Gustafson, natl adv svcs mgr; William Bivens, natl merch mgr; William Pauli, natl pr mgr. Infiniti: Earl Hesterberg, genl sales mgr; Peter Bossis, genl mktg mgr; David Hubbard, natl adv mgr; Brian O'Malley, natl merch mgr; Jack Collins, natl regional mktg mgr; Debra Sanchez, natl pr mgr; Laura Fox, media relations mgr.

Brands

Nissan

Ad agency: Chiat/Day/Mojo, Venice, Calif. Lee Clow, pres-creative dir; Tom Patty, exec vp-acct dir; Steve Goldman, vp-acct dir, regional; Pam Keehn, mgmt super-regional; William Flora, mgmt super-genl svcs; David Butler, sr vp-assoc creative dir; Mas Yamashita, vp-assoc creative dir; Hank Antosz, vp-media dir.

Infiniti

Ad agency: Hill, Holliday, Connors, Cosmopulos, Marina Del Rey, Calif. Jack Sansolo, pres-USA; Robert Blinick, Walt Verbanick, sr vps-mgmt supers; Kurt Olson, sr vp-media dir; Michele Shibuya, vp-acct super.

RANK: 93

Nynex Corp.

New York
Ad spending: **$120.7** million

U.S. ad spending ($ in thousands)

By media	1989	1988	% chg
Magazine	6,910	9,814	(29.6)
Sunday magazine	1,248	1,937	(35.5)
Newspaper	14,844	22,461	(33.9)
Outdoor	213	180	18.1
Spot TV	33,259	42,412	(21.6)
Syndicated TV	22	0	NA
Cable TV networks	266	389	(31.6)
Spot radio	6,041	6,252	(3.4)
Measured media	62,803	83,444	(24.7)
Unmeasured	57,900	77,000	(24.8)
Total	120,703	160,444	(24.8)

By top brands	1989	1988	% chg
Nynex	15,721	18,973	(17.1)
New York Telephone Co	14,768	32,793	(55.0)
New England Telephone & Telegraph Co	14,087	13,693	2.9
Nynex information resources	10,130	9,691	4.5
Nynex business centers	1,082	1,360	(20.4)

Sales & earnings ($ in millions)

Worldwide	1989	1988	% chg
Sales	13,211	12,661	4.3
Earnings	808	1,315	(38.6)

Division sales	1989	1988	% chg
Local service	5,494	5,395	1.8
Long distance	1,411	1,415	(0.3)
Network access	3,293	3,251	1.3
Other	3,013	2,601	15.9

Annual review

The weakening economy of the Northeast and four-month strike by telephone operators produced a drop in earnings at Nynex Corp. in 1989 and resulted in a 24.7% decline in ad spending.

Nynex's biggest corporate contributor, New York Telephone, was affected by the city's soft economy, in particular the troubled financial services industry.

"The engine of growth during the 80's was financial services and that is extremely weak today. In that kind of environment, it is difficult for Nynex to perform well," said Frank Governali, VP, First Boston.

New York Telephone also experienced a slight decline in its network access lines, the first such decline at the company, as customers switched to other carriers.

New York Telephone media spending dropped 55% to $14.7 million as its "A call can make a difference" campaign ran its course. It has been replaced by the "We're all connected" campaign. New England Telephone advertising grew 2.9% to $14.1 million as it introduced voice messaging. This year it launched call trace, call return and repeat dialing.

Nynex continued its "The answer is Nynex" campaign, using a case history

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technical ad campaign has been developed as an off-shoot of the corporate campaign. Nynex is currently reviewing its corporate campaign and may make modifications later this year.

Information Resources spending tipped $10.1 million in media, up slightly from 1988. The unit publishes more than 300 white and yellow directories a year totaling about 30 million copies.

Information Resources continues its ad campaign "Human Cartoons" from Chiat/Day/Mojo. The campaign was chosen by The One Club of New York as one of the 10 best TV campaigns of the 1980s.

Nynex Mobile Communications experienced a 68% growth of its cellular base in 1989. Its cellular base has increased from 12,000 in 1984 to 213,000 today. Media ad spending increased to $599,000, up from $35,500 in 1988.

Nynex Business Centers attracted $1.1 million in media spending in 1989, about the same as 1988. The centers, comprised of 78 branches in the U.S., market personal computers and related services. Nynex is the third largest non-franchised computer reseller in the country. The total PC market is expected to grow 16% annually, reaching about $58 billion in sales this year, the company said. But analysts have strongly recommended that Nynex get out of this business.

"Nynex has a weak earnings record. The diversification strategy that took Nynex into retail stores and software hasn't been one that Wall Street has favored. Wall Street is enamored with expansion of cellular telephones, but Nynex hasn't expanded much upon its original holdings," Mr. Governali said.

Regulations prevent Nynex from competing in the cable TV industry. In information services, Nynex is allowed to transmit data generated by others, but is prohibited from generating its own data.

■ Headquarters

Nynex Corp
335 Madison Ave
New York, N.Y. 10017
(212) 370-7400

■ Corporate personnel

Matthew Stover, vp-external affairs; Al Boschulte, vp-mktg; Trisn Watson, dir-adv.

■ Brands

Corp adv

Ad agency: Young & Rubicam, New York. Robert Gleckler, mgmt super; Ann Sullivan, acct super; Kevin White, acct exec; Renell Sullivan, acct exec.

■ Subsidiary

New York Telephone
New York

■ Marketing personnel

Theodore Federici, vp-external affairs; Michael Clendenin, mg dir-external affairs; Jerome Cadigan, dir-adv; Milt Stamm, dir-adv.

■ Brands

Public telephone, Public telephone direct, direct mail, various programs

Ad agency: Grey Direct, New York. Rich Mascolo, exec vp; Margaret Myhan, acct super.

Direct Mail

Ad agency: Chapman Direct Advertising, New York. Rosemary O'Brien, vp-mgmt super; Francine Edelman, mgmt super.

Hispanic mktg

Ad agency: Conill Advertising, New York. Carlos Rossi, pres; Marisol Estay, acct exec.

Business & residential adv

Ad agency: Young & Rubicam, New York. Larry Shapiro, vp-grp dir; Sean Healey, mgmt super; John Morris, acct super; Gloria Tenofsky, acct exec.

■ Subsidiary

New England Telephone
Boston

■ Marketing personnel

James Crain, vp-external affairs; Geraldine O'Brien, mg dir-adv.

■ Brands

Business & residential adv

Ad agency: Cabot Communications, Boston. Carolyn Smith, sr vp-mgmt super; Arthur Sweetser, vp-acct super.

Residential direct mail

Ad agency: Cabot Direct, Boston. Suzanne Delice, vp-mgmt super.

Genl & business direct mail

Ad agency: Dickinson Printing & Mailing, Quincy, Mass. Reid Dickinson, pres.

Business direct mail

Ad agency: Rapp, Collins, Marcoa, Boston. Karen Zahorsky, vp-mgmt super.

■ Subsidiary

Nynex Information Resources Co.
New York

■ Marketing personnel

Donald MacKenzie, pres; Bernie Bloomfield, vp-mktg.

■ Brands

Yellow Pages

Ad agency: Chiat/Day/Mojo, New York. Mary Maroun, mgmt super-vp; Sara Rutherford, Lorraine Arado, acct supers.

Hispanic mktg

Ad agency: Conill Advertising, New York. Carlos Rossi, pres; Marisol Estay, acct exec.

■ Subsidiary

Nynex Business Information Systems
New York

■ Marketing personnel

Thomas G. Philie, vp-mktg; Frank Pilon, vp; Germaine Coriell, mgr-adv; Mike Marino, vp-Nynex Business Centers.

■ Brands

Nynex Business Centers, Nynex Business Information Systems

Ad agency: Hill, Holliday, Connors, Cosmopulos, Boston. Scott Cheyne, sr vp-grp dir.

■ Subsidiary

Nynex Mobile Communications
Pearl River, N.Y.

■ Marketing personnel

Dennis McManus, vp-N.Y. metro; Cynthia Woodyard, mgr-adv & promo, Upstate N.Y.-W. Mass.; Lisa Clarey, mgr-adv & promo, New England Cellular Provider.

■ Brands

Collaterals

Ad agency: Lohmeyer Simpson Inc., Morristown, N.J. Richard Ricciardi, exec vp; Valerie Moody, acct exec.

Upstate N.Y. & W. Mass

Ad agency: Schnurr & Jackson, Albany, N.Y. Jesse Jackson, vp.

New England Cellular Provider

Ad agency: Leonard, Monahan, Lubars & Partners, Providence, R.I. Tom Monahan; president-exec creative director; Kevin Conroy, vp; Scott White, account exec.

RANK: 75

Paramount Communications

New York
Ad spending: **$141.2** million

■ U.S. ad spending ($ in thousands)

By media	1989	1988	% chg
Magazine	2,513	942	166.9
Sunday magazine	29	0	NA
Newspaper	24,066	26,799	(10.2)
Outdoor	71	55	29.2
Network TV	24,645	31,872	(22.7)
Spot TV	20,612	18,052	14.2
Syndicated TV	7,658	3,222	137.7
Cable TV networks	3,205	2,589	23.8
Network radio	829	795	4.3
Spot radio	1,816	577	214.8

By media	1989	1988	% chg
Measured media	85,444	84,902	0.6
Unmeasured	55,800	55,400	0.7
Total	141,244	140,302	0.7

By top brands	1989	1988	%chg
Paramount Pictures	67,443	70,426	(4.2)
Paramount home video	9,910	8,114	22.1
Simon & Schuster	2,007	1,915	4.8
Madison Square Garden events	1,215	1,492	(18.5)

■ Sales & earnings ($ in millions)

Worldwide	1989	1988	% chg
Sales	3,392	3,056	11.0
Earnings	1,465	385	280.9

Division sales	1989	1988	% chg
Entertainment	2,072	1,862	11.3
Publishing	1,320	1,194	10.6

■ Notes: Fiscal year ended Oct. 31, 1989

■ Annual review

Paramount Communications, renamed from Gulf & Western, turned into a fully entertainment company last year with the sale of Associates First Capital Corp., but its plan to become the largest entertainment conglomerate has so far met with roadblocks.

The Associates sale to Ford Motor Co. for $3.35 billion left Paramount cash rich, but its move this July to buy the remaining 21% share it didn't already own in TVX Broadcast Group was rejected by stockholders. TVX owns independent TV stations in six major U.S. cities.

Paramount's move to acquire Time Inc. for $12.2 billion also disintegrated in the summer of 1989 when Time opted to merge with Warner Communications.

Paramount formed Premier Advertising Sales with MCA, its frequent venture partner. The new company is the fifth largest broker of TV advertising, behind the Big 3 networks and Fox Broadcasting Co., with combined ad sales of about $250 million in the 1988-89 season.

Paramount Pictures fell from second to fifth in domestic box office take, or from a 15.2% share in 1988 to 13.8% in 1989. Its strongest release in 1989 was "Indiana Jones and the Last Crusade," with domestic receipts of $195 million. The film also was the most heavily promoted of the studio's 1989 picture lineup, with $7.9 million in media. The movie through 1989 ranked ninth in revenues on *Variety's* all-time rental list.

Paramount spent $67.4 million on all films in 1989, down 2.6% from the prior year. LNA/Arbitron reported six other films received media support of more

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*Independent matched panel studies on file with Acker, Caponzi & Petersen, Inc.

than $5 million: "Fat Man & Little Boy," "Black Rain," "Major League," "We're No Angels," "Cousins" and "Harlem Nights."

This year began strong for the studio with "The Hunt for Red October" taking in more than $80 million at the box office through mid-August. "Ghost" was the summer's big sleeper and could top $100 million by yearend, according to the studio.

Other summer releases, "Days of Thunder" and "Another 48 Hours," were expected to gross more than $70 million. Budgets for the two films were high, estimated by industry analysts at $50 million and $40 million, respectively.

Advertising direction for Paramount Pictures shifted in October 1989 with the arrival of Arthur Cohen, formerly of Revlon, as president of marketing. He began what is now an industry-wide trend of outdoor advertising and put ads for "The Hunt for Red October" on the sides of buses in major markets. He also shifted to smaller newspaper ads and increased magazine buys.

Paramount spent $3 million in media to advertise various books and publishing units within its publishing division. Simon & Schuster claimed the largest take of $2 million, same as 1988.

The company boosted its educational division with the acquisition of Computer Curriculum Corp., a producer of computer-based learning systems.

Paramount's Madison Square Garden Network cable unit began airing New York Yankee games in 1989 and got exclusive TV rights to 150 Yankee games each season from 1991 to 2000. This helped increase MSG's subscriber base 50% to 3.4 million.

■ Headquarters

Paramount Communications
15 Columbus Circle
New York, N.Y. 10023-7780
(212) 373-8000

■ Corporate personnel

Jerry Sherman, vp-corp comms; Barry London, pres-Paramount Pictures, Motion Pictures Grp.

■ Marketing personnel

Motion Picture Grp: Arthur Cohen, pres-worldwide mktg; Nancy Golinger, exec vp-mktg & creative affairs; Martin Kutner, exec vp-intl; Mardi Marans, exec vp; Deborah Rosen, exec vp-worldwide publicity; Michael Camp, sr vp-creative adv; Thomas Campanella, sr vp-adv; Cheryl Boone Isaacs, sr vp-natl publicity; Lucia Ludovico, sr vp-creative adv; Diana Widom, sr vp-worldwide publicity & planning; Michael Battaglia, vp-promo & special field publicity; Andrea Hein, vp-licensing; Ron Hein, vp-admin; Jerry A. Meadors, vp-mktg svcs; Blaise Noto, vp-publicity; Leslie Pound, vp-intl mktg; David S. Rosenbaum, vp-legal affairs.

■ Brands

Paramount Pictures-Motion Pictures Grp.
Ad agency: Ogilvy & Mather, New York. Ernie Shapiro, vp-acct super.

■ Division

Television Group
New York

■ Marketing personnel

Domestic Television Div: Steven Goldman, exec vp-sales & mktg; Meryl Cohen, sr vp-adv & promo; Susan Bluttman, dir-publicity. Network Television Div: John A. Wentworth, vp-adv, promo & publicity. Video Div: Hollace Brown, vp-adv & promo, home video; Alan Perper, vp-mktg.

■ Brands

Domestic television
Ad agency: Jacobs & Gerber, Los Angeles. Ray Jacobs, Susan Kantor, acct dirs.

Network television
Ad agency: Grey Advertising, New York. Gerry Logue, acct dir.

Video Div.
Ad agency: J. Walter Thompson USA, Los Angeles. Michael Arkin, vp-entertainment grp, vp-acct super.
Ad agency: 90% (for design), Hollywood, Calif. Henry Vizcarra, pres.

■ Division

Madison Square Garden
New York

■ Marketing personnel

Michael Walker, sr vp-mktg & comms; Linda Burns, corp vp-mktg; Monie Begley, vp-corp comms. Lee Berke, vp-mktg, MSG Network.

■ Brands

MSG Network
Ad agency: Grey Entertainment & Media, New York. Al Lieberman, pres; Ed Ritchkoff, mgmt super.

■ Division

Simon & Schuster
New York

■ Corporate personnel

Barbara M. Reno, sr vp-dir, corp comms.

■ Brands

Simon & Schuster trade div, Simon & Schuster, Pocket Books, Summit Books
Ad agency: Franklin Spier, New York. Alex Nelson, ceo; Erin McHugh, vp-assoc creative dir; Rhonda Hall, vp-acct exec.

Prentice Hall Press
Ad agency: Danza Schulman & Glennon, New York. Dennis Glennon, partner.

Prentice Hall School
Ad agency: Whitman Studios, Clifton, N.J. Jim Whitman, pres.
Ad agency: Group IV Design, Avon, Conn. Kathy Sterling, acct rep.

Modern Curriculum Press
Ad agency: Belden, Frenz & Lehman, West Lake, Ohio. Jerry Fenton, pres.

Manac Systems International
Ad agency: Marketel; Foster/McCann-Erickson, Montreal. John Woodfine, acct exec.

Simon & Schuster Human Resources
Ad agency: Tempo Advertising, New York. Irene Goldsmith, acct exec.

RANK: 26

J.C. Penney Co.

Dallas
Ad spending: **$407.5** million

■ U.S. ad spending ($ in thousands)

By media	1989	1988	% chg
Magazine	13,983	10,927	28.0
Sunday magazine	2,254	2,883	(21.8)
Newspaper	81,388	74,169	9.7
Outdoor	37	49	(23.9)
Network TV	31,494	39,645	(20.6)
Spot TV	6,613	8,530	(22.5)
Syndicated TV	2,535	3,647	(30.5)
Cable TV networks	1,134	2,620	(56.7)
Network radio	11,864	5,008	136.9
Spot radio	7,621	6,496	17.3
Measured media	158,923	153,973	3.2
Unmeasured	248,600	240,800	3.2
Total	407,523	394,773	3.2
By top brands	**1989**	**1988**	**% chg**
Penney's apparel	59,215	53,824	10.0
Penney's misc	45,581	52,892	(13.8)
Penney's household	18,010	15,030	19.8
Penney's jewelry	10,519	9,450	11.3
Penney's sportswear	5,725	4,750	20.5
Penney's drugs & toiletries	3,404	2,787	22.1
Thrift drugstores	3,150	3,138	0.4
Penney's suits	1,402	1,351	3.8
Penney's sport toy hobby	1,287	1,028	25.1

■ Sales & earnings ($ in millions)

Worldwide	1990	1989	% chg
Sales	16,103	14,833	8.6
Earnings	802	807	(0.6)
Division sales	**1990**	**1989**	**% chg**
J.C. Penney stores	14,469	13,364	8.3
Catalog	3,205	2,918	9.8

■ Notes: Fiscal year ended Jan. 31, 1990.

■ Annual review

J.C. Penney Co. continues to make progress in its ongoing repositioning as America's fashion department store.

The nation's fourth largest retailer this September introduced new image advertising for the 1990s themed: "Fashion comes to life." It replaces "You're looking smarter than ever," Penney's theme since 1983.

The new, stylish, lifestyle-oriented advertising is part of Penney's decade-long exodus from its mass merchandiser roots. Penney's wants to be thought of in the same league as upper-moderate department stores such as R.H. Macy & Co., Dillard Department Stores and May Department Stores, and not the Sears, Roebuck & Co. and Montgomery Ward & Co. clone it once was.

The retailer during 1989 spent its largest media outlays on general promotion, $26.4 million, up 25.2%; women's apparel, $22.3 million, up 18.6% and Penney's home furnishings, $18 million, up 20%.

Its media mix remained static except for network radio, which was more than doubled to $11.9 million in 1989. Jewelry, women's apparel and children's clothing sectors were new advertisers in the medium, an ad vehicle used in 1988 for most other apparel units.

Penney's target is the traditional/update consumer, women 18 to 44 with annual household incomes of $18,000-$70,000. Its goal is to get these middle-to-upper income shoppers to take a second look at its stores.

"Our biggest challenge is to get the targeted consumer to spend more money in Penney's stores," said Ron Shuler, director of marketing communications. "That buyer accounts for more than 70% of the purchases in our stores. She buys a certain item like hosiery, but not dresses and careerwear."

Penney's new advertising from N W Ayer, Dallas, shows off its newfound fashion flair. The campaign's major thrust is TV, on which five 30-second spots kicked off the campaign. Price points, traditionally screamed by Penney's in print, will become more discreet. A test involving 200,000 Penney's customers is under way on a men's and women's fashion newsletter, "Premiere," which could expand to Penney's 30 million cardholders.

Always promotion conscious, Penney's plans 1990/1991 promotions: "Spirit of the American Woman" and "Ports '91" as well as merchandising tie-ins with Walt Disney Co.'s holiday movie "Rescuers Down Under."

The retailer continues to spruce up its stores and refine and upgrade its merchandise mix, with a special emphasis on adding better name brands.

Penney's sales results have been mixed, according to analysts, signaling that some progress has been made in its repositioning, though it hasn't "arrived" yet. Men's and children's apparel sales have fared well, while women's apparel sales have lagged.

"It is very difficult to change a store's image. It is the single most difficult thing to do," said Monroe Greenstein, senior retail analyst with Bear Stearns & Co. "Penney's has made progress, but it still must convince consumers it is a fashion house."

Penney's also has ventured into specialty retailing and is betting on five new concepts: The concepts in various stages of test or development are: Amanda Fielding, an apparel store for women 35-plus; Tezio, an upper-moderate cosmetic chain for women 35-plus; In Detail, an upscale bed-and-bath shop; Portfolio Interiors by J.C. Penney, a home furnishings, accessories and home decorating chain; and Mixit, a casual wear concept similar to The Limited.

The new ventures have a role model—Units, the Penney 200-store clothing store subsidiary that emerged nationally several years ago and is now moving into Canada, Mexico and the U.K.

Penney's also has its own 24-hour cable TV shopping channel, the J.C. Penney Television Shopping Channel. Bozell, Dallas, handles.

■ Headquarters

J.C. Penney Co.
14841 N. Dallas Parkway
Dallas, Texas 75240-6760
(214) 591-1000

■ Marketing personnel

W. Barger Tygart, exec vp-dir, merch; Ronald Shuler, dir-mktg comms; Dean Erickson, sales plans mgr; Edward Hayward, adv mgr; K.L. Baker, dir-merch publicity & special events; Dave Nafziger, dir-visual merch; Don Hoggatt, mgr-presentation; Charles Lipscomb, dir-personal merch; Robert Burke, controller-merch. Women's Div: John A. McConville, pres; Kenneth Russo, Bill McCarthy, Marshall Beere, div vps-dirs, mktg; Marilee Cumming, vp-dir, prod devel. Men's Div: Thomas D. Hutchens, pres; J. Raymond Pierce, Ralph La Rovre, div vps-dirs, mktg. Children's Div: James L. Hailey, pres; Andrew Cumming, div vp-dir, mktg. Home & Leisure Div: James J. Kennedy, pres; J. Thomas Arthur, div vp-dir, mktg.

■ Brands

J.C. Penney stores & products, Portfolio Interiors by J.C. Penney
Ad agency: N W Ayer, Dallas. Tom Hooke, pres; Jim Hradecky, mg dir-creative svcs; Dave Lyon, mgmt super; Scott Bennett, acct super; Dillard Spring, also acct super.

J.C. Penney Television Shopping Channel
Ad agency: Bozell, Irving, Texas. Liener Temerlin, chmn; Dennis McClain, pres; Henry Lewczyk, exec vp-dir, strategic planning.

Units
Ad agency: In-house. Cathy Edwards, adv dir.

RANK: 6

PepsiCo

Purchase, N.Y.
Ad spending: **$786.1** million

■ U.S. ad spending ($ in thousands)

By media	1989	1988	% chg
Magazine	3,010	1,753	71.7
Sunday magazine	32	228	(86.2)
Newspaper	7,229	5,966	21.2
Outdoor	3,681	3,080	19.5
Network TV	168,815	145,048	16.4
Spot TV	264,650	257,957	2.6
Syndicated TV	10,062	7,090	41.9
Cable TV networks	9,741	4,707	105.9
Network radio	5,823	3,942	47.7
Spot radio	33,382	28,198	18.4
Measured media	506,424	457,968	10.6
Unmeasured	279,700	252,900	10.6
Total	786,124	710,868	10.6
By top brands	**1989**	**1988**	**% chg**
Kentucky Fried Chicken restaurants	118,401	100,623	17.7
Pizza Hut restaurants	94,487	83,009	13.8
Pepsi beverages	71,952	70,244	2.4
Taco Bell restaurants	59,212	64,921	(8.8)
Diet Pepsi beverage	57,229	48,470	18.1
Doritos snacks	19,581	14,697	33.2
Slice beverages	11,388	13,002	(12.4)
Ruffles snacks	10,549	6,659	58.4
Frito snacks	10,537	8,594	22.6
Mountain Dew beverage	9,142	6,183	47.9

■ Sales & earnings ($ in millions)

Worldwide	1989	1988	% chg
Sales	15,242	12,533	21.6
Earnings	901	762	18.2
U.S.	**1989**	**1988**	**% chg**
Sales	12,519	10,551	18.7
Operating profits	1,617	1,304	24.0
Division sales	**1989**	**1988**	**% chg**
Soft drinks	5,777	4,638	24.5
Snack foods	4,215	3,514	19.9
Restaurants	5,251	4,381	19.9

■ Annual review

PepsiCo quenched its thirst for growth in the soft-drink and snack-food sectors with $3.4 billion in acquisitions during 1989 and it fed its hunger for further dominance among restaurant chains with the addition of a combined 1,100 Pizza Hut, Kentucky Fried Chicken and Taco Bell outlets.

While PepsiCo fattened its bottom line—worldwide earnings grew 18.2%—PepsiCo botched its introduction of the well-received KFC Hot Wings. It did little to restore the goodwill of franchisees already angered by a new franchise contract and the slow development of menu items geared toward the health conscious.

Further management changes reflected attempts to put the KFC house in order and bolster real per-store sales, which fell 5%-8% for company and franchised stores. Profits at company-owned stores fell 14% to $100 million. That compares with PepsiCo's other restaurant operations: Taco Bell (up 38% to $113 million) and Pizza Hut (up 36% to $208 million).

Feeling the heat from McDonald's, KFC bit back with an aggressive and controversial ad campaign by Young & Rubicam satirizing Ronald McDonald. CBS would not run the spots which showed McDonald's more interested in toys than chicken. Pizza Hut strongly countered a test market foray by McDonald's with spots intended to put McDonald's new pizza menu item on ice. Cycling champ Greg LeMond wheeled onto the scene peddling the wares of Taco Bell.

KFC was included in a three-way promotion experiment with sister companies Pizza Hut and Taco Bell. Rives Smith Baldwin Carlberg, Houston, is handling. KFC accounts for 50% of the quick-service chicken market, Pizza Hut 22% of the pizza market and Taco Bell 66% of the Mexican restaurant market.

PepsiCo spent $118.4 million in media to back KFC, up 11.7%, $94.5 million for Pizza Hut, up 13.9%, and $59.2 million for Taco Bell, down 8.8%.

The corporate mainstay, Pepsi-Cola, increased its share of the $43 billion U.S. soft-drink market to 31.1%, up four-tenths of a point. Coca-Cola accounted for 41.1%. Pepsi-Cola outspent Coca-Cola in advertising its soft-drink lineup—$151.2 million to $140 million in measured media, according to LNA/Arbitron.

The Pepsi line claimed the largest portion of the total, $71.9 million, down 1.4%; Diet Pepsi got $57.2 million, up 17.9%; Slice $11.4 million, down 24%; and Mountain Dew $10.7 million, up 2.8%.

Pepsi also upped its TV advertising 50% in 1990 to contest Coke's gains in the rapid-growth diet-soft-drink sector. Diet Coke leads the pack at 8.9% total market share followed by Diet Pepsi at 5.7%, Caffeine-Free Diet Coke at 2.4% and Caffeine-Free Diet Pepsi 1.5%. All shares were up slightly.

Test marketing began for Mountain Dew Sport, aimed at siphoning away some of Gatorade's $350 million-plus sales and 90% market share among isotonic sports drinks.

PepsiCo supported its Frito-Lay snack food division with $48.2 million in media spending, up 32.8%. That total balloons to about $90 million when adding in unmeasured support, such as sales promotion, couponing, etc. The F-L brand getting the largest ad dollar attention again was Doritos, $19.6 million, up 28.1%.

The heavy support shows the value of Frito-Lay to PepsiCo. The division's worldwide sales grew to $4.2 billion in 1989, or 28% of PepsiCo's total revenues. F-L's operating profit spiraled to $821 million, or 42% of the corporate total.

Ruffles potato chips got $10.6 million in media, up 67.6% in 1989. Ruffles Light, Chee-Tos Light and Doritos Light rolled out nationally this spring backed by an estimated $20 million marketing campaign. The campaign followed strong tests in several states that eased concerns that "lighter" chips have less flavor. F-L competitors discovered this problem in previous attempts to carve out this segment niche. An F-L cooking process extracts the oil from Ruffles, for example, *after* they are cooked.

Ruffles were F-L's leading sales generator, with $560 million manufacturers level in 1989, up 8.7%, followed by Lay's at $420 million, up 5.7%, estimates *Snack Food* magazine. F-L's salted snacks in fact grew at twice the 5% rate of the salted snacks industry and represent about 50% of the market.

F-L decentralized its operations into regionalized units, a move seen by observers as a defensive maneuver to counter inroads into its domain by Borden, Anheuser-Busch (Eagle snacks), Keebler and Procter & Gamble.

■ Headquarters

PepsiCo
Anderson, Hill Rd
Purchase, N.Y. 10577
(914) 253-2000

■ Corporate personnel

Roger A. Enrico, pres-ceo; Allan Pottasch, sr vp-worldwide creative.

■ Division

Pepsi-Cola USA
Somers, N.Y.

■ Corporate personnel

Craig E. Weatherup, pres-coo; Michael Simpson, exec vp-mktg & natl sales; Michael Lorelli, pres-Pepsi-Cola East; Ronald W. Tidmore, pres-Pepsi-Cola South; Mauricio Pages, pres-Pepsi-Cola Central; Christopher M. Hallenback, pres-Pepsi-Cola West.

■ Marketing personnel

Brenda Barnes, sr vp-sales & channel mktg; Judy Fearing, vp-cola mktg; Frank Rupp, vp-graphic arts; John Mourhead, vp-mktg svcs; Rick Rock, vp-media.

■ Brands

Pepsi-Cola, Diet Pepsi, Slice, Mountain Dew
Ad agency: BBDO, New York. William Katz, sr acct exec; Peter Klinge, Evelyn Owen, acct execs.

Domestic black adv
Ad agency: Lockhart & Pettus, New York. Keith E. Lockhart, pres; David Harris, sr vp-dir, client svcs; Tom Jones, acct exec.

Mug root beer
Ad agency: Lois/GGK, New York. Mark Rothman, mgmt super; Andy Brief, acct super.

Domestic Hispanic adv
Ad agency: Siboney Advertising, New York. Luis Nasr, vp-gm; Carla Trum, vp-acct super.

Pepsi-Cola fountain beverages-regional mktg & adv
Ad agency: Tracy-Locke, Dallas. Mike Rawlings, exec vp-operations, gm; Mark Lamperski, Bruce Orr, grp acct dirs.

■ Division

PepsiCo Worldwide Foods
Plano, Texas

■ Corporate personnel

Michael H. Jordan, pres-ceo; John S. Pingel Jr., pres-ceo, PepsiCo Foods Intl.; Robert H. Beeby, pres-ceo, Frito-Lay.

■ Marketing personnel

Craig S. Jung, Doug Boyle, David Cowin, mktg dirs-PepsiCo Foods Intl; David J. Gustin, sr vp-mktg, Frito-Lay; W. Leo Kiely II, sr vp-field opers, Frito-Lay.

■ Brands

PepsiCo Foods Intl.-worldwide mktg
Ad agency: Young & Rubicam, Toronto. Gary Payne, worldwide acct dir-exec vp.

PepsiCo Foods Intl.-worldwide mktg
Ad agency: Tracy-Locke, Dallas. Howard Davis, pres-ceo; Mike Rawlings, gm.

Ruffles potato chips, Frito corn chips, Chee-Tos
Ad agency: DDB Needham Worldwide, Chicago. Alan Alexander, grp acct dir; Mark Leitner, mgmt rep-Ruffles; Don Shea, acct exec-Ruffles; Debra Rosenberg, acct super-Frito & Chee-Tos; Joanne Foster, acct exec, Chee-Tos.

Doritos, Tostitos, Lay's potato chips, Lay's Crunch Taters, Frito-Lay's dips, Rold Gold pretzels, Funyun's onion snacks
Ad agency: Tracy-Locke, Dallas. Howard Davis, pres-ceo; Mike Rawlings, gm; Ron Askew, dir-acct svcs; Tom Monroe, chief creative officer; Diane Fannon, dir-creative svcs; Ron Sataro, creative dir; Janet Bustin, acct dir.

Frito-Lay's Light snacks, Smartfood popcorn, Sunchips multigrain snacks
Ad agency: Levine, Huntley, Schmidt & Beaver, New York. James F. Brandhorst Jr., exec vp-mgmt dir; Steve Barcan, vp-mgmt super, Lights & Sunchips; Laurine Garrity, acct super-Lights & Sunchips; John Wheaton, sr vp-mgmt super, Smartfood; Diana Bowes, acct super-Smartfood.

■ Division

Kentucky Fried Chicken Corp.
Louisville, Ky.

■ Corporate personnel

John M. Cranor III, pres-ceo; Kyle T. Craig, pres-KFC USA; Martyn R. Redgrave, cfo-sr vp, finance; Olden C. Lee, sr vp-human resources; Gregg M. Reynolds, vp-public affairs.

■ Marketing personnel

William J. McDonald, sr vp-mktg; Colin W. Moore, vp-mktg & operations devel, intl; Peter J. Foulds, vp-adv; David S. Brooker, vp-field mktg; Thomas A. Cross, vp-mktg svcs.

■ Brands

Kentucky Fried Chicken
Ad agency: Young & Rubicam, New York. Tony Pace, mgmt super-domestic; Norman Kappler, mgmt super-intl; Nancy Katz, acct super-new prods; Tom Sebok, acct super-base business; Chris Callas, acct super-intl; Chris Goodman, acct

super-intl; Chris Goodman, acct exec-new prods; Dana Wade, acct exec-base business.

■ Division

Pizza Hut Inc
Wichita, Kan

■ Corporate personnel

Steven S Reinemund, pres-ceo.

■ Marketing personnel

Terry Davenport, vp-mktg & adv; Roger Rydell, dir-public affairs; Bill Klepper, vp-finance.

■ Brands

Pizza Hut

Ad agency: BBDO New York. Martha Pease, mgmt rep; Gretchen Hofmann, acct super; Liza Nathan, Christine Beeby, Yanna Nikitas, acct execs.

■ Division

Taco Bell
Irvine, Calif

■ Corporate personnel

John E Martin, pres-ceo.

■ Marketing personnel

Tim Ryan, sr vp-mktg; Karen Eadon, vp-mktg svcs & adv; Damon Liever, sr dir; Art Redmond, dir-mktg research.

■ Brands

Taco Bell

Ad agency: Foote, Cone & Belding, San Francisco. John Balousek, exec vp-gm.

RANK: 45

Pfizer Inc.

New York
Ad spending: **$235.3** million

■ U.S. ad spending ($ in thousands)

By media	1989	1988	% chg
Magazine	22,880	24,525	(6.7)
Sunday magazine	1,115	1,124	(0.7)
Newspaper	159	50	218.4
Network TV	62,623	56,671	10.5
Spot TV	5,581	3,105	79.7
Syndicated TV	1,835	1,194	53.7
Cable TV networks	1,137	2,149	(47.1)
Network radio	0	23	NA
Spot radio	1,148	358	221.1
Measured media	96,477	89,199	8.2
Unmeasured	138,800	128,400	8.1
Total	235,277	217,599	8.1

By top brands	1989	1988	% chg
Plax mouthrinse	19,618	14,999	30.8
Visine eye drops	14,614	13,295	9.9
Stetson men's toiletries	8,860	7,692	15.2
exclamation! perfume	7,446	5,818	28.0
Lady Stetson perfume	7,144	6,343	12.6
Pfizer Corp	7,030	333	NA
Unisom	6,261	6,410	(2.3)
Iron cologne	4,509	5,789	(22.1)
Ben-Gay products	4,344	5,141	(15.5)
Coty facial products	2,987	4,720	(36.7)

■ Sales & earnings ($ in millions)

Worldwide	1989	1988	% chg
Sales	5,672	5,385	5.3
Earnings	917	1,104	(17.0)

U.S.	1989	1988	% chg
Sales	3,097	2,884	7.4
Operating profit	564	685	(17.6)

Division sales	1989	1988	% chg
Health care	3,629	3,453	5.1
Consumer products	628	484	29.7
Animal health	489	540	(9.4)
Specialty chemicals	509	512	(0.6)
Specialty minerals	416	396	5.1

■ Annual review

Pfizer Inc. continued into 1990 its policy of building market share by spinning out new line extensions of its power brands. The plan met with mixed results in 1989, as Ben-Gay and Barbasol lost share points and Visine held tight to its dominant share—all of which were fortified by brand extensions.

In the consumer products division—formerly called Leeming/Pacquin—line extensions Visine AC and Visine Extra helped Pfizer's Visine remain the leader with a 50% share of the eye-care market. Measured spending registered $14.8 million, up 11%. This year, Pfizer rolled out Visine L.R., a long-acting relief for irritated eyes.

Ben-Gay Warming Ice, a line extension supported with $2.2 million in measured media, helped Ben-Gay meet encroaching competition from Bristol-Myers Squibb's Mineral Ice. But as a brand, Ben-Gay slipped from 39% to 35% of market, according to Julie Wolf, a consultant with Kline & Co. Measured spending dropped 56.3% for the Ben-Gay brand to $2.4 million.

Barbasol Gel, a line extension to Barbasol, the shaving market leader with 20% of the category, did not perform well. Retailers blame the modest performance of the gel on fierce competition from other gels such as Edge as well as cannibalization from Barbasol regular. LNA/Arbitron figures point to another problem—no measured spending against Barbasol versus a mere $1 million devoted to the brand in 1988.

More than $19 million in media (up 27%) backed Plax, an oral hygiene brand acquired in 1988, and helped it retain third place in the mouthwash arena behind Warner-Lambert's Listerine and Procter & Gamble's Scope. More than $150 million worth of Plax was sold worldwide last year.

Pfizer continues to be criticized for its Plax commercials that claim Plax is "clinically proven to remove more plaque than brushing alone." Various plaque-fighting products were reviewed by *Consumer Reports* last year, and Plax was found not to live up to its claims. Pfizer has denied all such claims.

The company is employing an unusual marketing tactic this year by test marketing a new product called Water-Jel in McDonald's restaurants. The product, intended for treatment of minor burns, comes in packets.

Pfizer's Coty division fared well in 1989 and so far in 1990 at a time of industrywide consolidation: Schering-Plough shed its Maybelline Co. cosmetics business; American Cyanamid Co. sold off its Shulton products including Old Spice.

Coty's Stetson and exclamation! remain in the top five-selling fragrances in drug chains, according to Ted Peterson, VP-trade relations for the National Assn. of Chain Drug Stores, Alexandria, Va. Measured spending behind Stetson for men totaled $8 million while another $7.1 million was pumped into Lady Stetson, up 9.5% and 12.7%, respectively.

Spending against exclamation! was $7.4 million, up 30%. Volume for the women's scent is approaching $30 million—almost double initial expectations. Flush with the success of both items, Coty is planning two new fragrances—Analtsa floral cologne and Chill Out Cologne Spritzer. Coty also markets Sand & Sable with spending just over $2 million.

The company's Iron men's scent generated sales of $7 million in 1989, although short of expectations. Measured spending dipped 22% to $4.5 million.

The Coty division makes strong use of network TV. The four popular scents—exclamation!, Iron, Lady Stetson and Stetson for men—were backed by a combined $27.3 million in media, of which 76% was network TV and the remainder largely magazines.

Pfizer continues to be one of several companies marketing pharmaceutical items directly to consumers via advertisements in health publications and health-related cable programs.

■ Headquarters

Pfizer Inc.
235 E. 42nd Street
New York, N.Y. 10017
(212) 573-2323

■ Corporate personnel

Edmond T. Pratt Jr., chmn-ceo; Gerald D. Laubach Ph.D., pres.

■ Brands

Corp media buying

Ad agency: Adforce Inc. (in-house), New York. Robert J. Geller, pres; John M. McAvity, vp-bdcast; Martin J. Gennusa, vp-media.

■ Division

Pfizer Animal Health Group
New York

■ Corporate personnel

M.W. Roche, pres; W.P. Crawford, exec vp.

■ Marketing personnel

R.A. Behrenhausen, vp-worldwide mktg & devel; G.H. Levy, P.O. Wilder, dirs-worldwide mktg.

■ Division

Pfizer Consumer Products
New York

■ Corporate personnel

J.F. Harmon, pres.

■ Division

Consumer Health Care
New York

■ Marketing personnel

R.L. Unger, sr vp; T.F. Coughlin, vp-sales; Roy Pera, vp-purchasing & packaging.

■ Brands

Pacquin, Unisom

Ad agency: Avrett, Free & Ginsberg, New York. Don Bandman, exec vp; Marlene Wheeler, acct super.

Visine, Visine A.C., Rid

Ad agency: Backer Spielvogel Bates Worldwide, New York. Joe Prior, exec vp; Tom Blut, acct super; Cheryl Bain, acct exec.

Ben-Gay, Barbasol, Plax

Ad agency: Ally & Gargano, New York. Jim Feeney, exec vp; Bob Taber, vp-mgmt super.

■ Division

Coty Division
New York

■ Marketing personnel

J.L. Abernathy, exec vp; J.T. Markowski, vp-mktg; J. MacDougald, vp-sales.

■ Brands

Lady Stetson, Iron, Overnight Success, exclamation!

Ad agency: Ketchum Advertising, New York. Pam Sarnoff, vp-mgmt dir; Diane Nuttall, acct exec.

RANK: 1

Philip Morris Cos.

New York
Ad spending: **$2,072.0** million

■ U.S. ad spending ($ in thousands)

By media	1989	1988	% chg
Magazine	281,454	271,301	3.7
Sunday magazine	14,973	19,830	(24.5)
Newspaper	29,713	40,716	(27.0)
Outdoor	70,924	61,701	14.9
Network TV	368,373	388,602	(5.2)
Spot TV	180,492	158,380	14.0
Syndicated TV	106,801	88,592	20.6
Cable TV networks	20,492	23,075	(11.2)
Network radio	8,778	8,698	0.9
Spot radio	42,714	40,092	6.5
Measured media	1,124,712	1,100,987	2.2
Unmeasured	947,300	927,400	2.1
Total	2,072,012	2,028,387	2.2

By top brands	1989	1988	% chg
Miller beer	146,847	163,561	(10.2)
Post cereals	101,956	103,440	(1.4)
Marlboro cigarettes	100,751	119,207	(15.5)
Maxwell House coffees	71,112	44,385	60.2
Kraft cheeses	57,078	67,969	(16.0)
Merit cigarettes	54,223	55,185	(1.7)
Kraft salad dressing & mayonnaise	51,462	23,977	114.6
Virginia Slims cigarettes	44,361	31,931	38.9
Benson & Hedges cigarettes	37,616	57,363	(34.4)
Jell-O gelatins & puddings	30,681	34,839	(11.9)

■ Sales & earnings ($ in millions)

Worldwide	1989	1988	% chg
Sales	44,759	31,742	41.0
Earnings	2,946	2,337	26.1

U.S.	1989	1988	% chg
Sales	31,233	20,866	49.7
Operating profit	6,061	3,975	52.5

Division sales	1989	1988	% chg
Domestic tobacco	9,489	8,501	11.6
International tobacco	8,375	8,085	3.6
Food	22,933	11,265	103.6
Beer	3,435	3,262	5.3
Financial svcs	527	629	(16.2)

■ Annual review

Philip Morris Cos. pumped up its international marketing muscle with an agreement to acquire Swiss coffee and confectionery giant Jacobs Suchard in June 1990.

The $3.8 billion deal promises to make PM, already the world's largest consumer package goods company, a leader in European ground roast coffee and No. 3 among Europe's confectionery marketers.

The acquisition also brings the company into closer competition with marketing superpower Nestle SA. Suchard's brands include Milka and Toblerone chocolates, Kroenung, Night & Day and Jacobs Cafe coffee. Not included in the PM deal were Suchard's Canadian subsidiary and E.J. Brach, its U.S. candy company.

In August 1990, PM appointed Raymond Viault, formerly Maxwell House division president, to CEO of Jacobs Suchard. Mr. Viault is succeeded by Charles Phillips, formerly of Kraft General Foods International, where he was president-Latin America, Eastern Europe, Middle East and Africa.

PM's sweet tooth for acquisitions may not have been satisfied by Suchard, however. Analysts said the company is expected to make another large-scale acquisition soon because of its strong cash flow position. That cash is generated mainly by PM's tobacco operations, which posted another record year in 1989. PM defied the odds, gaining 2.6 share points in the U.S. tobacco market in 1989, to 41.9%, despite a 6% slump in industry-wide unit sales.

According to Wheat, First Securities analyst John Maxwell, PM's growth in the market was led by Marlboro, which picked up an additional 1.4 share points in 1989, sending its share to 26.3%. The brand family received $75 million in media and got a line extension, Marlboro Menthol, introduced nationally.

PM stunned the industry in 1989 by bringing out its long-rumored "de-nicotinized" cigarette, made by a process borrowed from coffee decaffeination. The cigarette is testing in five markets either under the Merit DeNic or Next DeNic name. Leo Burnett USA, Chicago, handles.

PM this October will test Benson & Hedges DeNic in Phoenix. Sales of regular B&H cigarettes have been ailing. The brand dropped below a 4% share in 1989 from 4.1% the prior year. Last October PM asked its shops to come up with new creative for B&H, but the $60 million account remained at Wells, Rich, Greene, New York. PM has reportedly considered positioning B&H as a less upscale brand.

PM rolled out Virginia Slims Superslims, a low-smoke, small-circumference brand for women in 1989, which the company said has racked up more than a 0.5% share. The company also is testing Cartier Vendome, a ritzy, premium-price cigarette on the West Coast via Backer Spielvogel Bates, New York.

PM moved to strengthen its lineup in the price-value category, an industry category now accounting for 18% of all cigarettes sold. In 1989 it began testing two price-value brands—Bucks and Bristol. It also converted Alpine from full to generic pricing.

PM continued to hold the line on outdoor advertising for its cigarettes, spending $55 million in the medium, about the same as in 1988. A downward trend among cigarette marketers is anticipated by the medium. Tobacco advertisers this summer have faced heavy criticism from community groups concerning their heavy use of outdoor boards in minority areas.

PM drew criticism for its $60 million "Bill of Rights" corporate campaign in 1989 from anti-smoking groups that claimed it was a veiled attempt at advertising cigarettes on TV. (There is a Philip Morris cigarette.) PM's network TV and print campaign celebrated the Bill of Rights and offered a free copy of the document to viewers. Ogilvy & Mather, New York, handled.

An aggressive new-products program and $65 million in measured 1989 spending advanced General Foods USA's Maxwell House's coffee share to 27.5%, up from 27% in 1988, according to Mr. Maxwell. Procter & Gamble's Folgers, meanwhile, crept to 32.2% from 31.8%. By mid-1990, GF's Maxwell House had gained steam, though. Only about two share points are believed to separate the two.

The Maxwell House revitalization came from a host of new Maxwell House products in 1989 including Colombian Supreme ground coffee, Maxwell House Rich French Roast and Maxwell House pre-measured Filter Packs.

In 1990 the company rolled out a "slow-roasted" nostalgia brand called Maxwell House 1892 and began testing a refrigerated liquid coffee concentrate under the Maxwell House name, and a bottled iced coffee called Cappio. D'Arcy Masius Benton & Bowles, which snared the $65 million-$70 million Maxwell House account from Ogilvy & Mather, New York, in 1989, handles all the new products, with the exception of Cappio, which is at Margeottes Fertitta & Weiss, New York.

GF got into hot water in spring 1990 over its Maxwell House campaign that claimed taste tests showed "America prefers Maxwell House" to Folgers. Ads were modified when NBC and CBS-TV refused them under pressure from P&G. The tagline was changed to "America loves Maxwell House."

Unlike Maxwell House, there was no turnaround for GF's other troubled unit, Post cereals, which cut its media spending for all brands 4.7% to $102 million. Hurt in part from the fallout in oat bran cereals, Post continued to lose share in 1989, dropping from 11.4% in 1988 to 10.5% in 1989. GF had pinned its hopes on two new major oat-based entries in 1989, Post Oat Flakes and Honey Bunches of Oats, but despite $25 million-plus in marketing budgets for each, neither was able to maintain even a 1% share.

Kraft General Foods' strategy during 1989-90 was to become "fat-free." KGF's Entenmann's Bakery unit began testing a line of fat- and cholesterol-free, low-calorie baked goods. KGF Frozen rolled out cholesterol-free Sealtest Fat Free dessert bars, Sealtest Free frozen dairy dessert and frozen yogurt, and Light 'n Lively Free no-fat refrigerated yogurt.

Kraft USA rolled out Kraft Free no-fat salad dressings in March 1990. Kraft Free is a particularly important product for KGF, whose salad dressing share (including Seven Seas) dropped to 40.9% in 1989 from 42.7% a year earlier. Its main competitor, Clorox Co. at a 20% share, met the fat-free challenge with the rollout of Take Heart low-fat dressings.

In August 1989, Kraft reached an agreement to use NutraSweet Co.'s Simplesse in mayonnaise and Miracle Whip, while parent KGF applied for FDA approval for its own fat substitute, code-named Trailblazer, which is made from egg whites and milk.

In frozen novelties, GF USA (Jell-O, Crystal Light, Kool-Aid novelty lines) lost its leading share of 9.6% to Unilever at 17.9% when Unilever added newly acquired Gold Bond to its Good Humor share.

Synergies promised from PM between food units GF and Kraft came to fruition in 1989, with GF folding its Culinova refrigerated entree business under the Kraft Chillery label, and a year later, changing its Impromptu shelf-stable line to Kraft Microwave Entrees. Frozen meals also were built up with the rollout of Kraft blue box entrees, handled by Foote, Cone & Belding, Chicago, and competing with Stouffer's red box line.

KGF consolidated its media services units for an estimated savings of $15 million annually. David Braun, former director of media and promotional services at GF USA, was named VP-media services of the combined unit, which spends $750 million annually on advertising. President-CEO Michael Miles added the post of chairman from John Richman, who took early retirement in October, and Charles Martin was named VP-marketing services at Kraft USA, succeeding Joel Weiner, who left.

Miller Brewing's share of the U.S. beer market moved up a share point 22.4% in 1989, according to *Beverage Industry* magazine. Miller rolled out Lowenbrau Light and Sharp's non-alcoholic beer during the year. It was expected to spend $5 million-$7 million on Sharp's in 1990 via Franklin, Laughlin & Constable, Milwaukee.

Miller Brewing, like Anheuser-Busch, cut its media expenditures in 1989. Miller spent $150.2 million for all brands, off 11.3% from 1988. The difference came out of spending for Miller High Life, $28.3 million, down 17%; Genuine Draft, $46.3 million, down 15% and Miller Lite, $64 million, down 6%, according to LNA/Arbitron.

In 1990, Miller is facing new competition from Anheuser-Busch, which began testing Busch Cold Filtered Draft targeted at Miller Genuine Draft. Miller Genuine Draft sold 4.5 million barrels in 1989, up 21.6%, according to *Beverage Industry*.

Miller may soon move national with a light version of Genuine Draft, originally tested as Lite Genuine Draft, and Genuine Draft Light.

Miller sewed up a four-year, $130 million deal with the National Basketball Assn. in March 1990 giving the brewer exclusive rights to promote its involvement with NBC/NBA broadcasts in POP materials. Although the company reached agreement with NBA to call Miller "the malt beverage of the NBA" Miller won't be the games' exclusive sponsor.

■ Headquarters

Philip Morris Cos.
120 Park Ave.
New York, N.Y. 10017
(212) 880-5000

■ Division

Philip Morris USA
New York

■ Marketing personnel

David E.R. Dangoor, sr vp-mktg; Vincent Bucceliato, sr vp-sales; Elizabeth Buston, vp-new prods; Jim Morgan, sr vp-planning; Ellen Merlo, vp-mktg svcs; David Beran, dir-business planning; Richard Stirlen, dir-media; James Spector, dir-consumer promos; Louis Suwarna, dir-new prods; Micheal Heinrich, dir-purchasing; Carolyn Levy, dir-mktg research; Leo McCullagh, dir-events mktg; Nancy Brennan Lund, grp dir-Marlboro; Robert Mikulay, grp dir-price value; Brian Schuyler, dir-retail merch program; James Scully Jr., grp dir; Thomas McCarthy, grp dir, Benson & Hedges, Virginia Slims; Timothy Beane, mgr-retail promo planning; Barbara Weinstein, mgr-mktg planning & forecasting; Maryanne Nawrocki, mgr-dir mktg; Esther Fortner, mgr-special trade events; Roy Anise, mgr-mktg research; Richard Camisa, brand mgr-Marlboro & new product analysis; Thomas Garguilo, asst brand mgr-media & adv, Marlboro; Stuart Fuller, brand mgr, Benson & Hedges; Renee Simons, dir-special prods & corp planning; Arthur Goldfarb, brand mgr-price value brands; Arthur Raporte, brand mgr-Cambridge; Susan Jannetta, brand mgr-new prods; Alex Aliksanyan, brand mgr, Parliament.

■ Brands

Parliament, Bristol, new products

Ad agency: Backer Spielvogel Bates Worldwide, New York. Ron Kraut, sr vp-dir, sales prom; Rene Natoli, acct exec.

Marlboro, Merit, Virginia Slims, Cambridge, Alpine, new products

Ad agency: Leo Burnett USA, Chicago. James Oates, vice chmn-client svcs dir; Peter Volz, sr vp; Tom Dudreck, vp-acct dir; Ted Simon, vp-acct super, U.S. & intl.

Benson & Hedges

Ad agency: Wells, Rich, Greene, New York. Chris Lloyd, acct super; Jolie DeFeis, acct exec; Christine Gillespie, assoc acct exec.

■ Division

Kraft General Foods Corp.
Glenview, Ill.

■ Marketing personnel

Eric Strobel, sr vp-corp mktg.

■ Division

Kraft General Foods Frozen Products
Glenview, Ill.

■ Marketing personnel

Tom Herskovitz, pres; William Dowd, pres-dairy grp; W. Michael Goodwin, vp-mktg.

■ Brands

Birds Eye, Jell-O Pudding Pops, Breyer's

Ad agency: Young & Rubicam, New York. David Kahn, grp dir; Daryl Elliot, Dave Findel, mgmt supers.

Light 'n Lively, Breakstone, Frusen Gladje, Lender's

Ad agency: McCann-Erickson, New York. Dan Cohen, sr vp-grp dir.

All American Gourmet, Tombstone Pizza

Ad agency: Foote, Cone & Belding Communications, Chicago. Jim Cerasani, sr vp-grp mgmt dir.

■ Division

Kraft USA
Glenview, Ill.

■ Marketing personnel

Charles Martin, vp-mktg svcs.

■ Brands

Corp adv

Ad agency: Foote, Cone & Belding Communications, Chicago. Jim Cerasani, sr vp-grp mgmt dir.

■ Division

Grocery Products Group
Glenview, Ill.

■ Marketing personnel

Roger Deromedi, vp-grocery prods grp.

■ Brands

Miracle Whip, meat enhancements, Versatile side dishes, caramels, added meats, Touch of Butter

Ad agency: Foote, Cone & Belding Communications, Chicago. Jim Cerasani, sr vp-grp mgmt dir.

Kraft mayonnaise, Breyers fruit spreads

Ad agency: Young & Rubicam, New York. Chris Becker, mgmt super.

Fresh foods, "Project Dig," pourable dressings, Seven Seas, Kraft Intl., margarine, Parkay, fresh foods new products

Ad agency: Leo Burnett USA, Chicago. Sarah McGhie, vp-acct dir.

■ Division

Refrigerated Products Group
Glenview, Ill.

■ Marketing personnel

Mary Kay Haben, vp-mktg; Bob Eckert, exec vp-genl mgr.

■ Brands

100% Natural, Velveeta Loaf, Velveeta Slices, Cracker Barrel, Spreadery, Chillery

Ad agency: Leo Burnett USA, Chicago. Connie Nelson, Sarah McGhie, vps-acct dirs.

Grated Cheese, Handi Snacks

Ad agency: Foote, Cone & Belding Communications, Chicago. Jim Cerasani, sr vp-grp mgmt dir.

Philadelphia cream cheese, Cheese Whiz

Ad agency: J. Walter Thompson USA, Chicago. Jane Wilson, acct super; Karen Gruber, acct dir.

Knudsen, Cheese Sauces

Ad agency: Grey Advertising, Los Angeles. Larry Varnes, exec vp-dir, client svcs.

Polly-O Cheese

Ad agency: Young & Rubicam, New York. Chris Becker, mgmt super.

■ Division

Kraft General Foods
Commercial Products
Glenview, Ill.

■ Marketing personnel

George Goebler, pres; Rick Avery, pres-KGF Ingredients Corp.

■ Division

General Foods USA
White Plains, N.Y.

■ Corporate personnel

Richard P. Mayer, pres.

■ Marketing personnel

Loraine Scarpa, vp-mktg svcs; Richard Helstein, dir-mktg svcs; Charles Phillips, pres-Maxwell House div; Robert Pizuti, dir-mktg & sales, Maxwell House; Sylvester T. Hinkes, grp vp-Post cereals; Peter Waters, controller-mktg & sales; J. Mark Haran, vp-sales & mktg; Gregory Murphy, pres-ceo, Entenmann's Bakery Cos.; Peter Rollins, dir-mktg & business devel, Bakery Cos.; Paula Sneed, pres-food svcs; Douglas Smith, grp vp-beverages; Henry Rak, dir-div information-beverages; Irene Rosenfield, mktg mgr-established brands; Stephen Sadove, grp vp-desserts; Dana Gioia, dir-mktg, packaged desserts; Jown Bowlin, grp dir-dinners & enhancers; Ann Fudge, mktg dir-dinners & enhancers.

■ Brands

Entenmann's, Crystal Light, Crystal Light frozen novelties, Cool Whip, Good Seasons, Maxwell House, Master Blend, Yuban, Brim, Private Collection

Ad agency: D'Arcy Masius Benton & Bowles, New York. Peter Rosown, Richard Levenson, joint mg dir; Courtney Day, Becky Bunnell, dirs-operations & strategy; Jack Reed, sr vp-grp acct dir.

Post Raisin Bran, Grape-Nuts, Grape-Nuts Flakes, Honeycombs, Fruit & Fibre, Post Bran Flakes, Post Oat Flakes, Crispy Critters, Minute Rice, Stove Top, Kool-Aid, Kool-Aid Koolers, Baker's Chocolate/Coconut, D-Zerta, Dream Whip

Ad agency: Grey Advertising, New York. Jack Frantz, exec vp; Carolyn Carter, Jerry Zaret, Carol Herman, sr vps.

Pebbles, Super Golden Crisp, Alpha Bits, Country Time, Tang, Log Cabin syrup, Shake 'n Bake

Ad agency: Ogilvy & Mather, New York. Richard Roth, sr vp-grp dir; Robert Hay,

Jell-O, Sanka, General Foods Intl Coffees

Ad agency: Young & Rubicam, New York. Daryl Elliot, mgmt super; Larry Shapiro, worldwide acct dir.

Foodservice, desserts, cold beverages

Ad agency: Cato Johnson Worldwide, New York. Nick Becce, vp-mgmt super.

Log Cabin syrup-Hispanic adv

Ad agency: Noble & Asociados, Irvine, Calif. Karmen Guzman, acct super.

Cappio iced coffee

Ad agency: Margeotes Fertitta & Weiss, New York. George A. Fertitta, pres-ceo.

■ Division

Miller Brewing Co.
Milwaukee, Wis.

■ Marketing personnel

Richard Strup, vp-brand promos; Scott Stewart, dir-mktg promos; Mary Seggerman, premium category dir; David Krishock, low-calorie category dir; Thomas Cardella, brand mgr; Mark Wildman, asst brand mgr; Kevin Tripp, brand mgr-Draft Light; Laurie Panosh, asst brand mgr; Jeffrey Schoutenm, brand mgr-Miller High Life; David Rosenburg, assoc brand mgr; Todd Brachman, asst brand mgr; Robert Ward, adv svcs dir.

■ Brands

Miller High Life, Milwaukee's Best, Meister Brau, Magnum

Ad agency: Leo Burnett USA, Chicago. Jim Oates, vice chmn; David Selby, vp-acct dir; Doug Porter, acct super; Dave Barnes, acct exec-Miller High Life; Jill Baskin, Sue Knapp, sr acct execs-below premium & new prods; Jim Kordenbrock, client svcs assoc; Todd Townsend, acct exec.

Miller Lite, Genuine Draft, Miller High Life

Ad agency: Backer Spielvogel Bates Worldwide, New York. Matthew Crisci, exec vp; Howard Sherman, sr vp; Paul Daniusus, vp-mgmt super; Dawn Moriarty, vp-acct super; Paul Steiner, Mara Schwartz, acct execs.

Hispanic mktg: Lowenbrau, Genuine Draft Light, Genuine Draft, Miller Lite, High Life

Ad agency: Casanova Pendril, Irvine, Calif. Randy Ransome, acct dir; Sergio Garcia, acct exec; Leonardo Rubi, acct coord; Rafeal Traver, promo dir.

■ Division

Oscar Mayer Foods
Madison, Wis.

■ Marketing personnel

James McVey, pres-ceo.

■ Brands

Oscar Mayer meats

Ad agency: J. Walter Thompson USA, Chicago. Stephen Bowen Jr., pres; Nancy Statza, acct rep.

Louis Rich Meats

Ad agency: D'Arcy Masius Benton & Bowles, New York. B. Frank Assumma, joint mg partner.

RANK: 62

Philips NV

Eindhoven, The Netherlands
Ad spending: **$182.3** million

■ U.S. ad spending ($ in thousands)

By media	1989	1988	% chg
Magazine	19,455	11,633	67.2
Sunday magazine	1,752	909	92.8
Newspaper	1,003	1,536	(34.7)
Outdoor	13	18	(26.8)
Network TV	60,211	51,384	17.2
Spot TV	3,334	3,442	(3.1)
Syndicated TV	529	0	NA
Cable TV networks	1,485	1,601	(7.2)
Network radio	3,240	2,301	40.8
Spot radio	385	0	NA
Measured media	91,407	72,824	25.5
Unmeasured	90,900	72,400	25.6
Total	182,307	145,224	25.5

By top brands	1989	1988	% chg
Norelco shavers	33,244	20,525	62.0
Magnavox video equipment	22,802	20,274	12.5
Philips light bulbs	8,959	1,116	702.7
Norelco appliances	6,159	235	NA
Magnavox audio equipment	5,245	3,628	44.6
Genie systems	2,780	1,389	100.1
Vendex Pacific Headstart computer	2,487	2,250	10.5
Norelco small appliances	2,401	5,657	(57.5)
Explorer computer	1,924	0	NA
Philips color TV	1,566	556	181.4

■ Sales & earnings ($ in millions)

Worldwide	1989	1988	% chg
Sales	29,960	28,040	6.8
Earnings	719	528	36.2

U.S.	1989	1988	% chg
Sales	6,203	5,895	5.2
Net income	(178)	(18)	NA

Division sales	1989	1988	% chg
Lighting	4,005	3,487	14.9
Consumer electronics	12,313	12,644	(2.6)
Professional prods	8,247	7,680	7.4
Components	4,436	5,600	(20.8)
Miscellaneous	1,027	698	47.1

■ Notes: Sales and earnings figures are converted at the rate of 0.52356 and 0.50 dollars to the guilder in 1989 and 1988, respectively.

■ Annual review

sumer operations have appeared relatively insulated from the turmoil at NAP's Dutch parent company, Philips NV, which took a $1.44 billion charge against earnings earlier this year, planned 10,000 layoffs worldwide and forced its president into early retirement.

NAP is expected to experience some of the fallout, especially in its mainframe consumer business, while its U.S. consumer business may even benefit. Some analysts say Philips will put additional emphasis on its consumer businesses after winnowing its unsuccessful units.

NAP's various divisions already are ad spending leaders in at least two of the four consumer product categories it is in and isn't far behind in the others.

NAP's Philips Consumer Electronics in the last two years has been the biggest ad spender in the U.S. on consumer electronics. The more than $30 million the company said it spent on supporting the Magnavox line, together with additional spending on its three other brands, Philips, Sylvania and Philco, towers over rivals. NAP has advertised heavily to gain market share, even when competitors have cut advertising citing profitability concerns.

Magnavox is the No. 3 brand of TV sets with a 6.4% share of unit sales last year, up from 5.85% in 1988, according to *Television Digest*, an industry newsletter. With Sylvania, Philips and Philco's 4.65% share, down from 4.8%, NAP has more than 11% of the U.S. market.

In camcorders, Magnavox was No. 5 at a 6.7% share, up from 6.5%, and Sylvania added another 1%. In VCRs Magnavox held a 6.55% share, up from 5.5%. The other brands added 1.9%. In the U.S., NAP positions Philips as the technology leader and prices it on the high end, Magnavox is priced mid-range and Philco as the lower priced. Sylvania and Philips also have been used to reflect different distribution lines.

Philips expanded and upgraded its Sylvania line and brought back the Philco name it had taken out of distribution. The company moved to expand the Magnavox name more strongly into home office products, especially home computers. Headstart Technologies, formerly a separate NAP company, has been integrated into Philips Consumer Electronics and now markets under the Magnavox brand. NAP spent $14.9 million on its various brands of TV sets in 1989, down 24.7%, with reduced spending for Magnavox the reason for the drop.

Norelco Consumer Products, which holds more than 50% of the men's electric shaver market under the Norelco name, will spend more than $40 million this year advertising a new version of its lift and cut razors, making it by far the category leader. Men's and women's shavers got $28.4 million in media backing in 1989, up 64%.

Norelco holds about 7% of the iron business and more than 30% of the women's electric shaver market.

NAP's Polygram Records, a little advertised unit, is turning more aggressive by launching its first network TV spots in nearly 10 years to tout a recording of a concert at the Berlin Wall. Polygram's purchase last year of A&M Records and Island Records has made it the third largest distributor. Island, A&M and Polygram, however, remain separate for most marketing functions, with distribution merged.

Polygram's chart share of popular albums rose to 7.3% for the first half of the year compared with 6.5% for all of 1989, according to *Billboard* magazine.

Philips Lighting Co. remains second in the U.S. (behind GE) with about 20% of the market. With heavy competition for normal bulbs, Philips has introduced a variety of specialty bulbs, including soft tone pastel bulbs last year that pushed Philip's home light bulb-spending to $8.2 million from virtually nothing in 1988. Other specialties—a bulb that dims instead of burning out, a fluorescent bulb that screws into a regular socket—have been added to the line.

Philips N.V. named Jan D. Timmer, formerly chairman of consumer electronics, president, replacing the retiring Cornelis J. van der Klugt. At NAP, Stephen C. Tumminello, former NAP exec VP-vice chairman, was named NAP's president-CEO. He replaced Einar Kloster, who had advanced to president-CEO of Philips Lighting Holding B.V., the lighting products arm of the parent company.

■ Headquarters

Philips N.V.
Gloeilampenfabrieken
5621 BA Eindhoven
The Netherlands

North American Philips Corp.
100 E. 42nd St.
New York, N.Y. 10017
(212) 850-5000

Stephen C. Tumminello, pres-ceo-chmn.

■ Division

Philips Consumer Electronics
Knoxville, Tenn.

■ Marketing personnel

Donald F. Johnstone, pres; Mike Keel, dir-adv; William Ulewicz, vp-retail sales; Henk Bos, sr vp-gm, home office grp.

■ Brands

Magnavox, Philips, Sylvania, Philco

Ad agency: Backer Spielvogel Bates Worldwide, New York. Ed Keating, exec vp-acct mgmt; Randall Windschitl, sr vp-mgmt rep; Dave Watson, vp-mgmt rep; Bob Rizzuto, vp-acct super.

■ Division

Norelco Consumer Products
Stamford, Conn.

■ Marketing personnel

John Beggs, pres; Leigh Alexander, sr mktg mgr-razors; Ed Crawford, mktg mgr-garment care; Bill Kelso, mktg mgr-kitchen appliances; A. J. Riedel, mktg mgr-special projects.

■ Brands

Norelco, Philips

Ad agency: D'Arcy Masius Benton & Bowles, New York. Ira Schwartz, sr vp-grp dir; Jack McFadden, sr vp-dir operations & strategy; Lisa Baker, acct dir; Kitty Ravenhall, Alan Barcus, Hal Nankin, creative dirs.

■ Division

Polygram Records Corp.
New York

■ Marketing personnel

Steve Pritchitt, vp-prod devel & mktg, East Coast; Michael Bays, vp-adv & creative; Cliff O'Sullivan, prod devel & mktg-West Coast; Dane Benable, vp-artist devel.

■ Brands

Polygram, Mercury, Verve, Deutsche Grammophon, London, Philips, Wing

Ad agency: Phonad (in-house). Sylvia Chandler, mgr-merch; Leslie Borrok, mgr-adv.

■ Division

A&M Records
Los Angeles, Calif.

■ Marketing & in-house adv personnel

Tom Corson, vp-mktg; Robert Gold, exec dir-adv & merch.

■ Division

Philips Lighting Co.
Somerset, N.J.

■ Marketing personnel

Carl Johnson, vp-consumer mktg & sales; Mark Frissorra, dir-consumer mktg; DeVerges Jones, dir-mktg svcs; Maureen Carpenter, adv mgr.

■ Brands

Philips adv

Ad agency: Cliff Freeman & Partners, New York. Cliff Freeman, pres; Arthur Bijur, exec vp.

Philips-media buying & planning

Ad agency: Saatchi & Saatchi, New York. Joe McCarthy, sr vp-mgmt dir; Katie Giffault, vp-acct super; Amy Lee, acct exec.

RANK: 2

Procter & Gamble Co.

Cincinnati
Ad spending: **$1,779.3** million

■ U.S. ad spending ($ in thousands)

By media	1989	1988	% chg
Magazine	118,892	107,998	10.1
Sunday magazine	2,150	1,535	40.1
Newspaper	4,981	4,144	20.2
Outdoor	480	719	(33.2)
Network TV	449,072	421,683	6.5
Spot TV	222,019	222,301	(0.1)
Syndicated TV	90,414	65,728	37.6
Cable TV networks	39,271	31,544	24.5
Network radio	24,217	26,204	(7.6)
Spot radio	14,281	16,915	(15.6)
Measured media	965,778	898,770	7.5
Unmeasured	813,500	757,000	7.5
Total	1,779,278	1,655,770	7.5

By top brands	1989	1988	% chg
Folgers coffees	90,384	64,128	40.9
Tide laundry products	52,164	24,657	111.6
Oil of Olay creams & lotions	44,709	31,600	41.5
Crest toothpaste	40,908	41,017	(0.3)
Head & Shoulders shampoos & cond	27,469	19,400	41.6
Nyquil cold products	27,405	27,505	(0.4)
Pampers diapers	21,890	16,702	31.1
Crisco oils	21,430	15,265	40.4
Secret deodorants & antiperspirants	21,089	18,872	11.8
Luvs diapers	20,793	16,264	27.8

■ Sales & earnings ($ in millions)

Worldwide	1990	1989	% chg
Sales	24,081	21,398	12.5
Earnings	1,602	1,206	32.8

U.S.	1990	1989	% chg
Sales	14,962	13,312	12.4
Net earnings	1,304	927	40.7

Division sales	1990	1989	% chg
Laundry & cleaning	7,942	7,138	11.3
Personal care	11,767	1,032	NA
Food & beverage	3,318	3,029	9.5
Pulp & chemicals	1,666	1,778	(6.3)

■ Notes: Fiscal year ended June 30, 1990.

■ Annual review

Procter & Gamble Co. underscored its commitment to become an international

of Edwin L. Artzt, 59, as chairman-CEO.

Mr. Artzt, who as P&G International vice chairman-president orchestrated a dramatic turnaround of P&G in Japan, plans to push P&G's international sales to 60% during his tenure, a considerable boost from its 38% in fiscal 1990. He succeeded John G. Smale, who retired this January.

"The company is really coming alive, using its clout in a productive manner," said Lynne Hyman, a First Boston analyst. "Although in many ways P&G is still catching up globally, its strategy is to move with concepts that work well in one place, like Pert Plus, and make those global brands."

Pert Plus, a combination shampoo and conditioner with 12.5% of the $1.4 billion U.S. category, was introduced in 22 countries in fiscal 1990. In September, P&G introduced Vidal Sassoon Ultra Care, a combination shampoo, conditioner and finishing rinse, to follow up the successful launch of Pert Plus. P&G also upped spending behind the No. 2 shampoo, Head & Shoulders, to $27.5 million, up 41.8%, to introduce Head & Shoulders Dry Scalp formula.

P&G became the top marketer of cosmetics in mass-market outlets with the September 1989 purchase of Noxell Corp. for $1.3 billion. Noxell markets Cover Girl and Clarion makeup lines.

This July, the company reorganized its health, beauty and personal-care operations into two new business units, a health care sector and a beauty-care sector. Noxell now is part of beauty-care. The move split the Richardson-Vicks division, placing RVI's Oil of Olay into the beauty-care and its Nyquil and Vicks cough-cold remedies into health care. The Norwich division, created in 1982 after P&G acquired the drug business of Morton-Norwich Products, moved into health care.

P&G in January 1990 acquired the Hawaiian Punch juice-drink brand from Del Monte Corp. for about $150 million, and within six months revived "Punchy," the animated Hawaiian Punch spokescharacter, in a campaign titled "Punchy's Greatest Hits" from N W Ayer, New York. Ayer handles Citrus Hill juices and its new three-item lemonade line in addition to the $10 million Hawaiian Punch account.

In July 1990, it completed its estimated $330 million purchase of the toiletries and fragrances portion of American Cyanamid's Shulton Group, excluding the Pierre Cardin fragrance line. P&G added Old Spice and Santa Fe men's fragrance and toiletries, giving the company a much-desired lead in the men's toiletries market. Old Spice and Santa Fe were assigned in August to Tatham-Laird & Kudner, Chicago, from Scali, McCabe, Sloves, New York.

The company in August 1990 dropped plans to market Maalox antacid and other Rhone-Poulenc Rorer brands after the Justice Department filed an antitrust suit charging the deal would give P&G too big a share of the OTC stomach remedies market. The government estimated P&G and Rorer would have controlled combined sales of $236 million in the $900 million category. P&G in 1989 supported Pepto-Bismol, holding a 12% share, with $20.3 million in media, down 25%.

P&G, in the first of several environmental initiatives, began testing a refill carton for Downy fabric softener, introduced a 100% recycled plastic container for Spic & Span liquid pine cleaner and began using recycled plastics for its liquid laundry detergent containers.

It also began testing superconcentrated powder detergents as "Ultra" versions of Tide, Cheer, Oxydol and Gain.

P&G introduced nationally Cheer Free (no dyes or perfumes). Cheer media spending climbed 33% to $16.2 million in support of the national launch. Cheer has a 7.5% share of the $3.8 billion category.

Tide, the detergent category leader with a 31.5% share, was supported with $52.1 million in media, up 110%.

Cascade, the leader in the $500 million automatic dishwasher detergent category, was supported with $19.8 million, up 43.1%. P&G is testing Cascade Gel. The gel helps prevent the detergent from separating in the bottle.

P&G's Folgers coffee checked in with the highest level of media support in 1989 of $90.4 million, a 38% gain. Folgers won out in the battle with Kraft General Foods' Maxwell House as the top selling coffee, but P&G finished second in total coffee sales to Kraft GF.

P&G in fall 1989 introduced Folgers Gourmet Supreme, its response to the introduction of GF's Maxwell House Colombian Supreme. Then in early 1990 it persuaded the TV networks not to air two commercials that claimed consumers preferred Maxwell House to Folgers.

P&G, according to Kidder, Peabody &

ground coffee market, and a 20% share of the $950 million instant coffee market in the U.S.

In the $1 billion cooking-oil market, P&G's Crisco and Puritan hold a combined 28% share. P&G supported Crisco shortening and cooking oil brands with $21.4 million in media, up 40%.

P&G in September introduced the Oil of Olay Cleansing Collection, a five-item line of Foaming Face Wash, Water-Rinsable Cold Cream and Refreshing Toner, and the existing Facial Cleansing Bar and Facial Cleansing Lotion.

P&G leads the $600 million mass-market facial moisturizer market with a 26% share. Oil of Olay drew $44.4 million in media support, up 41.4%.

Crest, the leading toothpaste in the $1.05 billion category with a 36% share, got $40.9 million in media, even with 1988. Squeezable Soft Pump Crest toothpaste dispensers are in test. They return to their original shape after squeezed.

With the addition of Old Spice from American Cyanamid, P&G now controls 31.5% of the $1.1 billion deodorant market. P&G backed Secret, its leading brand with a 14% share, with $21.1 million in media, up 11.6%.

Spending behind Nyquil, the leading cold remedy, remained stable in 1989 at $27.4 million.

P&G in March 1990 expanded nationally Luvs prints with different designs for boys and girls. Luvs was supported with $20.8 million, up 19%. Pampers for Boys and Pampers for Girls also hit the market, an indication that consumers preferred gender-specific diapers. P&G currently holds a 49.5% share of the $3.7 billion disposable diaper category, having neither gained nor lost ground to archrival Kimberly-Clark Corp., which recently announced it would launch Huggies for Him and Huggies for Her.

P&G made a number of media-buying moves in 1990, taking $25 million in network TV evening news media-buying assignments from D'Arcy Masius Benton & Bowles and moving it to N W Ayer, New York. In July 1990 it consolidated $110 million in magazine media-buying at Saatchi & Saatchi Advertising, New York. Leo Burnett USA (teen, beauty and fashion magazine buying) and Tatham-Laird & Kudner (men's buying) together lost $36 million in the shift.

■ Headquarters

Procter & Gamble Co
P.O. Box 599
Cincinnati, Ohio 45201
(513) 983-1100

■ Corporate personnel

E.L. Artzt, chmn-ceo.

■ Marketing personnel

J.E. Pepper, pres; J. Hintz, D. Jager, exec vps; G.F. Brunner, R.E. Cannon, G.V. Dirvin, L.A. Dare, R.J. Herbold, J.W. Nethercott, D.S. Swanson, sr vps; W.C. Berndt, S.O. Donovan Jr., H. Einsmann, M. Jozoff, R.R. Nicolosi, W.N. Zau, grp vps; P. McHenry, sr vp-genl counsel; T.A. Barrett, vp-Beauty Care Div; R.T. Blanchard, vp-worldwide strategic planning, health & beauty care; B.L. Byrnes, vp-Packaged Soap & Detergent Div; D.W. Campbell, vp-Food Svc & Lodging Prods Div; C.C. Carroll, vp-business devel, health & beauty care; J.K. Goodwin, vp-sales; L. Ross Love, vp-adv; L.D. Milligan, vp-sales, customer devel & intl; J.A. Saxton, vp-Noxell div; M. Upson, vp-Food & Beverage Div; R.L. Wehling, vp-public affairs.

■ Brands

Bold, Cheer, Era Plus, Gleem, Lava liquid & bar soaps, Lilt home permanent, Luvs disposable diapers, Secret, Pert Plus, White Cloud, Pepto-Bismol, Prell, Clarion cosmetics, Noxzema

Ad agency: Leo Burnett USA, Chicago. Mary Bishop, exec vp.

Black adv: Crest, Crisco shortening.

Ad agency: Burrell Advertising, Chicago. Anna Morris, exec vp-chief creative officer; Linda Pharr, sr vp-dir, acct svcs; Fay Ferguson, vp-acct dir.

Vicks Formula 44, Clearasil, Dramamine, Fasteeth, Fixodent, Icy Hot, NyQuil, Percogesic, Vaporub, Sinex, Dawn, Ivory Snow, Dash, Bounce, Crest, Scope, Always, Attends, Charmin, Pampers

Ad agency: D'Arcy Masius Benton & Bowles, New York. Roy Bostock, pres-coo.

Ivory shampoo & conditioner, Wondra

Ad agency: D'Arcy Masius Benton & Bowles, St. Louis. Clayton Wilhite, dir.

Professional adv: Attends, Crest, Head & Shoulders, Peridex, Pepto-Bismol, Puffs Plus, Safeguard, Pampers, Norwich, Ivory Snow

Ad agency: Medicus Intercon International, New York. Lawrence Lesser, chmn-ceo.

Cover Girl cosmetics, Downy fabric softener-liquid & dryer sheets, Joy, Crisco shortening & Crisco cooking oil, Jif, Lestoil cleaner, Pantene haircare line, Sure

Ad agency: Grey Advertising, New York. Neil Kreisberg, exec vp.

Sunny Delight

Ad agency: Gumpertz/Bentley/Fried, Los Angeles. Richard Fried, pres.

Beauty Care Div: trade adv

Ad agency: Haddon Advertising, Chicago. Harvey Haddon, pres.

Bounty, Cinch from the makers of Spic and Span, Fisher Nut, Safeguard, Top Job, Zest

Ad agency: Jordan, McGrath, Case & Taylor, New York. Alice Bond, sr vp-acct svcs.

Foodservice cleaning products, coin vending cleaning products

Ad agency: Ketchum/Mandabach & Simms, Chicago. Lee Lippman, exec vp.

Professional adv: Folgers coffee, Ivory soap

Ad agency: Klemtner Advertising, New York. Robert C. Erwin, sr vp-acct super.

Citrus Hill Plus Calcium, Denquel, Peridex, Pediatric Formula 44

Ad agency: Lally, McFarland & Pantello, New York. Ron Pantello, pres.

Folgers regular & decaffeinated coffee, Puffs Plus, Citrus Hill Select, Citrus Hill Lite, Certain, Duncan Hines Baking Mix line, Hawaiian Punch, Puritan cooking oil

Ad agency: N W Ayer, New York. Warren E. Albright, exec vp.

Foodservice & lodging products, shortening & oils, coffee, bar soap & amenities

Ad agency: Northlich, Stolley, Cincinnati. John Bloomstrom, vp-acct super.

Vidal Sassoon-shampoos, conditioners, rinses, styling aids

Ad agency: Peter Rogers Associates, New York. Peter Rogers, pres.

Bain de Soleil suncare line

Ad agency: Rosenfeld, Sirowitz, Humphrey & Strauss, New York. Linda Srere, exec vp-dir, acct mgmt.

Tide, Tide Liquid, Tide with Bleach, Cascade, Camay, Comet, Dreft, Ivory bar soap & liquid soap, Oxydol, Solo, industrial, chemical, grocery trade, drug trade & military adv

Ad agency: Saatchi & Saatchi Advertising, New York. Paula Forman, exec vp-exec mgmt dir.

Biz, Chloraseptic, Mr. Clean, Coast, Comet liquid bleach, Head & Shoulders, Metamucil, Vicks Throat Drops, Old Spice, Santa Fe men's fragrance

Ad agency: Tatham-Laird & Kudner, Chicago. Robert Hielscher, sr partner-client svcs dir.

Gain, Oil of Olay, Pringle's, Spic and Span, Spic and Span Pine liquid

Ad agency: Wells, Rich, Greene, New York. Richard Hopple, pres-worldwide.

RANK: 30

Quaker Oats Co.

Chicago
Ad spending: **$357.8 million**

■ U.S. ad spending ($ in thousands)

By media	1989	1988	% chg
Magazine	23,409	30,135	(22.3)
Sunday magazine	1,312	1,111	18.1
Newspaper	1,449	400	262.7
Outdoor	64	456	(85.9)
Network TV	104,415	123,327	(15.3)
Spot TV	21,835	24,327	(10.2)
Syndicated TV	17,535	18,414	(4.8)
Cable TV networks	4,325	4,032	7.3
Network radio	1,856	419	343.2
Spot radio	3,101	2,552	21.5
Measured media	179,300	205,172	(12.6)
Unmeasured	178,500	204,300	(12.6)
Total	357,800	409,472	(12.6)

By top brands	1989	1988	% chg
Quaker cereal	58,187	53,118	9.5
Fisher-Price toys	33,006	36,366	(9.2)
Gatorade drinks	19,682	25,971	(24.2)
Ken-L Ration dog food	10,554	13,416	(21.3)
Life cereal	8,578	5,825	47.3
Cap'n Crunch cereal	8,130	7,381	10.2
Gaines dog food	7,537	6,464	16.6
Cycle dog food	6,188	8,344	(25.8)
Aunt Jemima syrups	5,322	4,794	11.0
Rice-A-Roni	3,654	10,582	(65.5)

■ Sales & earnings ($ in millions)

Worldwide	1990	1989	% chg
Sales	5,031	4,879	3.1
Earnings	169	203	(16.7)
U.S.	**1990**	**1989**	**% chg**
Sales	3,610	3,630	(0.5)
Operating income	373	256	45.3

■ Notes: Fiscal year ended June 30, 1990. Sales and earnings figures exclude results from Fisher-Price. F-P is included in ad dollar totals.

■ Annual review

Quaker Oats Co. slashed its media spending during 1989 as it moved to become a food-only company with a new strategy that focuses advertising on high-growth, high-margin product lines.

Food became its sole focus when earlier this year it announced plans to spin off the Fisher-Price toy subsidiary to shareholders by yearend.

Shortly afterwards, Quaker reorganized its largest unit, U.S. and Canadian Grocery Products, shuffled managers from brand group to brand group and added a Frozen Foods division to oversee Aunt Jemima frozen products, Celeste pizza and new products.

The company embarked on a risky strategy to bring advertising and marketing expenses in line with sales increases, by focusing ad dollars on sports drinks, hot and ready-to-eat cereals, frozen foods and certain pet food categories—all high-growth, high-margin categories.

The strategy produced some alarming drops in unit volume sales during the just completed fiscal year among the company's more mature product lines: pet foods were down 19%; Aunt Jemima frozen foods, down 11%; Celeste pizza, down 9%; Golden Grain, down 9%; Van Camp beans, down 9%.

Coupled with the "planned declines" in those categories came some bad luck in others: A cool, rainy summer cut into Gatorade sales.

In January 1990, just as Quaker Oat Bran ready-to-eat cereal was reaching national distribution, the *New England Journal of Medicine* published a research report questioning oat bran's effect on blood cholesterol levels. Although Quaker used TV and print ads to point out that oat bran's cholesterol-reduction properties were supported by 27 years of research, the pr and ad effort wasn't enough. The oat bran craze was over, and Quaker's oat bran sales fell 50% in short order.

Overall, Quaker's hot cereals experienced a 6% decline in unit volumes during fiscal 1990, although the company held onto a leading 61% of the $600 million market.

Although less dependent on oat bran, the company's ready-to-eat cereals saw unit volumes decline 9% during fiscal 1990; Quaker's No. 4 share of the $6.9 billion market fell from 8.7% to 8.0% for the year ended in May.

In addition to the cold oat bran cereal, Quaker—like competitors Kellogg Co. and Ralston Purina Co.—introduced a cold rice bran product, Crunchy Rice Bran, in February.

Quaker's single largest brand, Gatorade, continued to dominate the $500 million U.S. market for sports drinks,

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National Citizens Commission on Alcoholism. (NCCA)
National Council on Alcoholism and Drug Dependence (NCADD)
Ad Council

with more than a 90% share. But Quaker held its breath as soft-drink giants Coca-Cola Co. and Pepsi-Cola Co. introduced products that encroach on Gatorade's franchise. Pepsi-Cola's Mountain Dew Sport, a bottled sports drink in regular and low-calorie varieties, is seen as the more direct competitor. As a defensive move, Quaker introduced into limited markets two new Gatorade offshoots, Freestyle and low-calorie Gatorade Light. It also began testing Gatorade in fountain systems; Coca-Cola's PowerAde is being distributed in fountain systems as well.

Although Gatorade remains Quaker's largest advertised brand, media spending fell 25%, to $20.5 million, during calendar 1989, according to LNA/Arbitron.

The effect of Quaker's new marketing strategy could best be seen in its pet foods division, which, with unit volumes down 19% in fiscal 1990, remains the company's biggest challenge. Quaker continued advertising Kibbles'n Bits 'n Bits 'n Bits soft-dry dog food, and Cycle canned and dry dog foods, but essentially eliminated advertising for other brands, including King Kuts canned dog food, Gravy Train dry dog food and Tender Chops soft-dry dog food.

Quaker was the clear No. 2 pet food marketer after its acquisition of Gaines Foods in 1987. Sales declines over the past three years now tie it for third with Mars Inc.'s Kal Kan division (each with 12% of the pet food market), behind both Ralston (27%) and Carnation Co. (14%) in the $6 billion pet food industry, according to John C. Maxwell Jr., analyst with Wheat, First Securities.

Reflecting its desire to focus on high-margin growth products, Quaker's pet food division will launch Frisbee Flying Dog Treats in limited distribution this fall. The $430 million dog treat market, where Quaker's Ken-L Ration brands have about an 8% share, is growing at a faster clip than the rest of the industry.

The new Frozen Foods division gets its first test this fall, when OvenStuffs frozen microwaveable sandwiches go national with a $22 million ad, marketing and promo budget.

Quaker started up Quaker Direct, a direct mail program that will reach a select database of consumers. The program is set to begin this fall with a tie-in to CBS-TV's fall schedule.

Among management shifts, Chairman-CEO William Smithburg will assume the additional responsibilities of President-COO Frank Morgan, who retires this month.

■ **Headquarters**

Quaker Oats Co.
Quaker Tower
321 N. Clark St.
Chicago, Ill. 60610
(312) 222-7111

■ **Corporate personnel**

William Smithburg, chmn-ceo.

■ **Division**

U.S. & Canadian Grocery Products
Chicago

■ **Corporate personnel**

Philip A. Marineau, exec vp; Verinder K. Syal, sr vp-pres, Quaker Breakfast div; Jon K. Grant, pres-ceo, Quaker Oats Co. of Canada (breakfast div); Peter J. Vitulli, pres-Grocery Specialties div; Barbara R. Allen, pres-Frozen Foods div; Walter G. VanBenthuysen, pres-Foodservice; David Bere, pres-Golden Grain.

■ **Marketing personnel**

David R. Nogle, sr vp; John Blair, vp-mktg svcs & new ventures; C. Clarkson Hine, vp-adv. Quaker Breakfast div: John Breuer, vp-mktg, ready-to-eat cereals; Lyle Hubbard, vp-mktg, Aunt Jemima syrups & mixes, snacks & corn goods; Keith Robinson, vp-mktg, hot cereals. Grocery Specialties div: Bill Schmidt, vp-sports mktg; Peggy Dyer, vp-mktg; Deborah E. Kelly, vp-new beverages. Pet Foods div: Douglas W. Mills, sr vp-gm; Mark Shapiro, vp-mktg. Foodservice: Paul Barron, vp-mktg.

■ **Brands**

Cap'n Crunch, Crunchy Bran, Freestyle, Gatorade & Gatorade Light, Gravy Train, Kretschmer wheat germ, Oh!s, Puffed Rice, Puffed Wheat, Quaker Oat Bran, Quaker OvenStuffs, new products

Ad agency: Bayer Bess Vanderwarker, Chicago. Gary R. Bayer, chmn-ceo; Ronald Bess, pres-coo; Tony Vanderwarker, vice chmn-chief creative officer; R. Brian Goodall, exec vp-dir, acct mgmt.

Industrial cereals, Health foods

Ad agency: Bender, Browning, Dolby & Sanderson, Chicago. Kathleen Truty, acct super.

Celeste pizza, Granola bars, hispanic adv, Quaker corn products, Van Camp's beans, Wolf brand chili

Ad agency: Berry-Brown Advertising, Dallas. Robert Berry, chmn; Patricia Magel, Laurie Weir, vps-acct supers.

Golden Grain, Noodle-Roni, Rice-A-Roni

Ad agency: Goldberg Moser O'Neill, San Francisco. Gail Piper, mgmt super.

Crunchy Rice Bran, Life, 100% Natural cereal, Quaker Oat Squares, Quaker Oats Oatmeal

Ad agency: Jordan, McGrath, Case & Taylor, New York. Jim Jordan, chmn; Bruce Guidotti, exec vp-acct grp dir.

Aunt Jemima, Cycle, Frisbees dog treats, Kibbles'n Bits 'n Bits 'n Bits, King Kuts, Pounce cat treats, rice & popcorn cakes, Snausages

Ad agency: J. Walter Thompson USA, Chicago. John Wells, sr vp-mgmt dir.

Hispanic adv: Aunt Jemima syrup & pancake mix, Kibbles 'n Bits

Ad agency: Berry-Brown Advertising, Dallas. Robert Berry, chmn; Robert Brown, pres; Linda Osgood, vp-creative dir; Sharon Griesing, vp-media dir.

■ **Division**

Fisher-Price
East Aurora, N.Y.

■ **Corporate personnel**

Ronald J. Jackson, chmn-ceo.

■ **Marketing personnel**

Strawn Cathcart, vp-US mktg.

■ **Brands**

Fisher-Price toys

Ad agency: Waring & LaRosa, New York. Larry Weisberg, sr vp-acct super, traditional line; Dick Upson, sr vp-acct super, infant prods.

RANK: 24

Ralston Purina Co.

St. Louis
Ad spending: **$429.5** million

■ **U.S. ad spending** ($ in thousands)

By media	1989	1988	% chg
Magazine	34.093	22.372	52.4
Sunday magazine	1.407	1.597	(11.9)
Newspaper	3.163	2.499	26.6
Outdoor	24	160	(85.3)
Network TV	69.068	76.489	(9.7)
Spot TV	25.256	22.838	10.6
Syndicated TV	13.423	10.483	28.0
Cable TV networks	4.803	4.949	(3.0)
Network radio	1.183	5.315	(77.7)
Spot radio	2.166	1.840	17.7
Measured media	154.585	148.542	4.1
Unmeasured	274.900	264.200	4.0
Total	429.485	412.742	4.1
By top brands	**1989**	**1988**	**% chg**
Purina dog food	47.177	33.253	41.9
Eveready batteries	30.427	35.026	(13.1)
Ralston cereals	18.482	11.716	57.8
Purina cat food	14.453	9.591	50.7
Chex cereals	11.129	6.201	79.5
Beech-Nut baby food	7.782	7.201	8.1
Oatmeal Goodness bread	5.715	5.201	9.9
Wonder bread	3.563	6.449	(44.7)
Cookie Crisp cereal	3.005	647	364.6
Chex snack mix	2.064	2.649	(22.1)

■ **Sales & earnings** ($ in millions)

Worldwide	1989	1988	% chg
Sales	6.658	5.876	13.3
Earnings	423	388	8.9
Division sales	**1989**	**1988**	**% chg**
Bakery prods	1.941	1.783	8.9
Pet foods	1.685	1.550	8.7
Cereals	414	339	22.2
Batteries	1.351	1.139	18.6
Other	1.268	1.066	18.9

■ **Notes:** Fiscal year ended Sept. 30, 1989.

■ **Annual review**

Strong results from new product introductions and heavy advertising kept Ralston Purina's share in the highly contested pet foods, cold cereals and battery markets on an even keel in 1989.

After suffering through two years of flat sales with Eveready Battery Co., purchased in 1986, Ralston shelved its marketing approach to hone in on just the Energizer line, switching the $25 million account to Chiat/Day/Mojo from DDB Needham.

Ralston, which previously had locked in on a divide-and-conquer marketing strategy by creating Eveready Classic and Conductor specialty products to build its share in the $3 billion U.S. battery market, got an unusual TV campaign with creative that parodied advertising.

The campaign introduced the drum-beating bunny, powered by an Energizer, which interrupted mock commercials. Airing began during the second game of the 1989 World Series. The bunny became omnipresent during the fourth quarter, pushing full-year Energizer media totals to $27.2 million.

Energizer battery advertising carried the Eveready brand, which received $30.8 million, down 28% from the prior year.

Ralston sought greater hegemony in the worldwide battery market through acquisition: It purchased COFINEA, the French holding company that controls Mazda and Wonder, the best-selling dry cell battery brands in France, and bought Eveready Australia/New Zealand.

Although energized on TV, Eveready remained at about 36.4% for the year against Duracell's 40.4% share of the $2 billion alkaline battery market, according to Nielsen Marketing Research. Company and agency execs expected the spots to have a residual effect on sales in 1990, when replacement decisions in the slow-moving market are made.

Ralston boosted spending 21.3% for pet foods to $63.3 million in 1989 and managed to hold its ground in the $6.21 billion pet food market (food stores). It lost a slight 0.1 point as its share slipped to 27.1% of market. Its weakness if any was in the dry dog food sector which accounted for 30.2% of all pet food sales and 50% of Ralston's. Ralston pet foods are generally marketed under the Purina banner.

Purina again claimed the top two positions in the category with Dog Chow and Puppy Chow, as Dog Chow grew 2.3% in dollar sales and Puppy Chow declined 3.2%, according to John C. Maxwell, analyst with Wheat, First Securities. An on-package coupon campaign cross-promoted Purina Dog Chow and the new syndicated Lassie TV show.

But without new entries in the market Purina would have suffered a 3.8% decline in sales from brands existing in both years. As it was, Purina dog food sales advanced 1.4%, according to Mr. Maxwell.

New entries in the category were led by Pro Plan with new sales of $28 million backed by $857,400 in advertising, largely spot TV; Prime, $12.5 million in sales supported by $5.2 million in advertising, divided between magazines and network TV; and Beef Complete, $4.8 million in sales backed by $1.7 million in media split between magazines and spot TV.

Ralston Purina established Pro-Visions Pet Specialty Enterprises earlier this year to develop new pet food products and marketing plans directed at the out-of-supermarket market, estimated to be worth $600 million. It is a division of the Grocery Products Group.

The Grocery Products Group in 1989 introduced four new licensed cereals—Nintendo Cereal System, Teenage Mutant Ninja Turtles, Batman and Breakfast with Barbie—which helped Ralston improve its dollar share of the $6.8 billion cold cereal market to 6.6%. A boost in cereal media spending of 26.8% to $34.5 million also contributed to growth.

Breakfast with Barbie marked the first venture between Barbie's parent Mattel Inc. and a package goods marketer. Avrett, Free & Ginsberg, New York, handled the $10 million introduction, using network and spot TV, print and coupons as well as an in-pack diamond giveaway. AFG also received the Cookie Crisp account formerly handled by Noble-Tennant, Chicago, and supported the October debut of Oat Chex with TV, print, FSIs and cross-promotion.

These character-licensed products in fact were the only reason the company improved its market share. They added 1.4 share points combined as Ralston's traditional lineup dropped 0.7 share points led by a decline in its top cereal, Chex, which fell from 3.2% of market to 2.9% in 1989.

Ralston subsidiary Continental Baking Company moved its $8 million Wonder Bread account from Tatham-Laird & Kudner, Chicago, to Grey Advertising, New York. Continental also unveiled Hostess Lights, a line of 97% fat-free, no-cholesterol snack cupcakes, developed in response to increasing consumer demand for more nutritionally sound products. TBWA/Kerlick Switzer, St. Louis, handled the introductory campaign, which consisted primarily of spot TV.

Earlier this year Ralston announced it would be taking part in a promotional effort aimed at planting 100,000 tree seedlings in response to consumers who call a 900 telephone number printed on boxes of Almond Delight, Oat Bran Options and Rice Bran Options cereals.

Ralston set itself up in a new market in 1989 with the purchase of Beech-Nut Nutrition Corp. from Nestle SA. Beech-Nut is a distant second to Gerber Products Co. in the baby-food market.

■ **Headquarters**

Ralston Purina Co.
Checkerboard Square
St. Louis, Mo. 63164
(314) 982-1000

■ **Marketing personnel**

T.E. Touhill, vp-dir, adv & creative resources; H. Blickenstaff, dir-mktg pr. Central Adv. (in-house): T.P. Cenova, S.J. McMichael, vps, co-creative dirs; J.K. Lucas, vp-dir, client svcs. Checkmark Promo. & Mktg. (in-house): G.C. Cook, pres; J.C. Hanrahn, vp-exec creative dir, promo creative. Checkerboard Media (in-house): D.R. Martin, pres. Grocery Prods. Div: W.H. Lacey, chmn-ceo; W.P. McGinnis, pres-coo; T.E. Block, vp-dir, dog food mktg; A.R. Bresler, vp-dir, cat food mktg; J.R. von der Heydt, dir-mktg, Chex cereals & specialty foods; D.D. Buck, dir-mktg, children's foods & family mktg; J.R. Sivewright, business dir-store brand mktg. Continental Baking Co: J.W. Brown, chmn-ceo; R.W. Bracken, exec vp; M.S. Foley, vp-dir, bread mktg; R.M. Proctor, vp-dir, cake mktg. Eveready Battery Co: J.P. Mulcahy, chmn-ceo; G.L. Meffert, exec vp; J.T. Sweetwood, vp-brand mktg, business devel; R.J. Smith, dir-brand mktg, primary batteries; A.A. Bevilacqua, dir-brand mktg, diversified prods. Beech-Nut Co: J.A. Nichols, pres; E.H. Cohen, grp dir, mainline; B.L. Korn, grp dir-new prods.

■ **Brands**

Cheesedawgs, Dog Chow, Dog Snack Line, Field Master, Field 'n Farm, Honey Graham

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Chex, Hearty Chews, Kibbles & Chunks, Muesli, Oat Bran Options, Puppy Chow, Special Dinners, Eveready Super Heavy Duty, Unique, Wisker Lickens
Ad agency: Centra Advertising Co. (in-house), St. Louis. J.W. Hickman, vp-acct super.

Almond Delight cereal, Barbie cereal, Bran Chex, Chex, Cookie Crisp, Cat Chow, Jetsons cereal, Hot Wheels cereal, Kitten Chow, Nintendo cereal
Ad agency: Avrett, Free & Ginsberg, New York. John G. Avrett, chmn; Lawrence Riegel, exec vp-grp dir; Michael Perry, vp-mgmt super; Susan Phillips, acct exec.

Eveready Conductor, Eversafe, Kit 'n Kaboodle, Meow Mix
Ad agency: DDB Needham Worldwide, Chicago. Patricia Winegar, vp-acct super, mgmt rep; Dawn Hudson, grp acct dir; Elisa Lewis, acct super; Judith Werme, grp creative dir; Fran Johns, Rick Korzeniowski, creative dirs.

Bran News, Ghostbusters cereal, Purina Hi Pro
Ad agency: Ally & Gargano, New York. Warren Dechter, pres-coo; Monty Kiernan, sr vp-mgmt dir; Paul Basquin, vp-acct dir.

Tender Vittles
Ad agency: Wells, Rich, Greene, New York. Cary Raffle, exec vp.

Beggin' Strips, Chex Snack Mix, Double Chex, Lucky Dog, Sunflakes
Ad agency: Tatham-Laird & Kudner, Chicago. Thomas Schaeffer, sr partner-acct mgr.

Batman cereal, Morning Funnies, Teenage Mutant Ninja Turtles cereal
Ad agency: Noble-Tennant, Chicago. Timothy Dorgan, pres; Alan Moser, exec vp; Denis Naylor, chief creative officer; Bettina Kokinis, acct exec; Jon Flannery, copywriter; Mike Havel, art dir.

Energizer, lighting products
Ad agency: Chiat/Day/Mojo, Venice, Calif. Bob Kuperman, pres-ceo, L.A.

Dog line campaign
Ad agency: Fallon McElligott, Minneapolis. Patrick R. Fallon, chmn.

Pro Plan, Breeder Enthusiast
Ad agency: Stockton West Burkhart, Cincinnati. Maureen L. Vogele, vp-client svcs; Allan Godshall, vp-creative dir; Andrea N. Rassin, acct super; Karen M. Davis, acct exec; Linda Burchett, media dir.

Purina biscuits, Chuck Wagon, Bonz
Ad agency: Martin, Marshall, Jaccoma & Mitchell, New York. George Jaccoma, exec vp.

Grravy, O.N.E.
Ad agency: Scali, McCabe, Sloves, New York. Stuart Epstein, exec vp-grp dir; Keith Green, exec vp-dir, mktg & strategic planning; Joan Bergman, mgmt acct super; Diane Epstein, acct super; Patricia Bischoff, assoc media dir; Gwen Weiss, asst media dir.

Pets for People
Ad agency: Simmons, Durham & Associates, St. Louis. B.W. Durham Jr., exec vp-treasurer.

Veterinary adv
Ad agency: The John Volk Co., Chicago. John Volk, pres-acct super.

Bread du Jour, Home Pride-Light, Wonder Bread, Wonder Light, Oatmeal Goodness, Beefsteak Rye
Ad agency: Grey Advertising, New York. Robert Schoenfein, exec vp.

Beech-Nut
Ad agency: Sherwood & Schneider, New York. Branden Hawk, mgmt super.

Beech-Nut hispanic adv
Ad agency: Conill Advertising, New York. A. Conill, mgmt super.

RANK: 58

Revlon Group

New York
Ad spending: **$196.5** million

■ **U.S. ad spending** ($ in thousands)

By media	1989	1988	% chg
Magazine	59,236	42,488	39.4
Sunday magazine	8,854	5,872	50.8
Newspaper	277	181	52.7
Outdoor	59	19	215.5
Network TV	18,149	30,127	(39.8)
Spot TV	6,151	4,164	47.7
Syndicated TV	2,805	3,532	(20.6)
Cable TV networks	2,251	613	267.3
Network radio	323	232	39.1
Spot radio	9	701	(98.8)
Measured media	98,113	87,929	11.6
Unmeasured	98,400	88,200	11.6
Total	196,513	176,129	11.6

By top brands	1989	1988	% chg
Revlon lip & eye prods	7,133	12,431	(42.6)
Revlon nail care prods	6,400	5,699	12.3
Revlon shampoos & conditioners	6,216	7,749	(19.8)
California perfume	5,156	0	NA
Max Factor lip & eye products	4,347	3,540	22.8
Revlon creams & lotions	4,097	492	733.0
Revlon hair products	3,798	2,169	75.1
Revlon men's toiletries	3,497	0	NA
Revlon facial products	3,467	6,523	(46.8)
Jean Nate bath toiletries	3,399	3,173	7.1

■ **Sales & earnings** ($ in millions)

Worldwide	1989	1988	% chg
Sales	2,942	2,670	10.2
Earnings	114	189	(39.9)

U.S.	1989	1988	% chg
Sales	1,978	1,795	10.2
Operating profit	242	240	0.9

Division sales	1989	1988	% chg
Beauty products	2,446	2,277	7.4
Healthcare	402	314	28.2
Flavors	94	80	18.1

■ **Annual review**

Revlon in 1990 continues its aggressive introduction of new scents despite an overall decline in the $4 billion women's and men's fragrance industry.

Following a 1989 agreement with Guess? Inc. to market fragrances and cosmetics under the apparel manufacturer's name, Revlon earlier this year introduced Guess, an upscale perfume for women. Ads for the product feature Guess and Chanel model Claudia Schiffler.

The campaign was created by Paul Marciano, a Guess creative director.

Miss Schiffler's appearance in the ad is expected to attract a new breed of young customers to Revlon, a group that shops for cosmetics primarily in drugstores.

Revlon is appealing to older buyers as well with its "Unforgettable Women" ad campaign that features mature spokespeople. The drop-off in department store attendance also has forced inventory reductions by the big stores, sending customers, who tend to be older, into drugstores.

All other advertising at Revlon is handled in-house by Tarlow Advertising, which Revlon acquired last year for an estimated $11 million.

Tarlow already was handling $65 million in Revlon business. It will keep its other clients, worth an additional $10 million. Agency president Dick Tarlow was named Revlon exec VP-advertising. Revlon's existing in-house shop, Creative Workshop, remains an autonomous unit although it may be folded into Tarlow.

Although Revlon said at the time it acquired Tarlow that other agencies would not be dropped, the company parted with Hill, Holliday, Connors, Cosmopulos (Classic Revlon, Intimate, Neat-Touch, Super Lustrous Lipsticks); with Hal Riney & Partners (Princess Marcella Borghese); and Ketchum Advertising (new products)—consolidating their accounts with Tarlow.

All together, Tarlow handles an estimated $80 million in billings, including No Sweat, the company's new anti-perspirant line, and a line of Revlon International shampoos.

In addition to Guess, Revlon in 1990 will introduce Unforgettable, a women's fragrance, as an extension of its "Unforgettable Women" ad campaign. The new scent will be supported by an estimated $8 million effort that features excerpts from the Nat King Cole song of the same name.

The "Unforgettable" umbrella campaign for the company's cosmetics lines has featured print ads with Oprah Winfrey as well as famous husband-and-wife teams Don Johnson and Melanie Griffith and Barbara and Frank Sinatra. Actor Dan Aykroyd and his wife, Donna Dixon, are appearing in current ads.

Existing women's fragrance lines got additional support in 1990. The 10-year-old Ciara line signed former Revlon Ultima II model Lauren Hutton as its spokesperson.

California fragrance line, introduced in 1989 under Revlon's Max Factor division, with Jaclyn Smith as its spokesperson, continues to be a strong seller. The line, according to the company, reported sales between $20 million and $30 million. Revlon this year plans a line extension called California for Men.

Revlon backed its fragrance lines with $28 million in media in 1989, up 63.7%. The main difference between the two years was new ad monies for California of $5.1 million. Ad support in general was borne by magazines, except for the California launch that weighted toward network and syndicated TV. Revlon gave token media support for new fragrance entries in 1989: Montana and Electric Youth.

No Sweat deodorant was introduced this spring with a $12 million campaign. The product is what Revlon calls a "breakthrough" because the deodorant formula is microencapsulated to offer time-released protection throughout the day.

An increase in awareness of animal testing and a fresher approach toward makeup application have stimulated sales at Revlon's Almay division. Almay, a hypoallergenic line, is seeing increased competition in the marketplace, most notably from Noxell's Prescriptive line and Plenitude from L'Oreal. But Almay remains the leader in the category, according to Diana Temple, analyst with Salomon Bros. The entire Almay line drew $11.9 million in media, about the same as in 1988.

Revlon controls 5.2% of the $4.6 billion U.S. skin-care market (supermarket sales), powered primarily by new 1989 product line Clean & Clear with a 3.3% share. Revlon ranks third in the market to P&G's 16.4% and Unilever's 15%.

Revlon held a 5.3% share of the shampoo market in 1989 behind P&G (32.7%) and Helene Curtis (14.6%). Flex was the main contributor with a 3.6% share, followed by Clean & Clear at 1.3%. Revlon backed its Clean & Clear line with $7.1 million in new ad dollars and the Flex line with $5.2 million, more than double 1988 media expenditures.

Revlon is teaming with Nintendo to create a shampoo and bubble bath line for children. Products include Super Mario Bros. Princess and Mario shampoo and bubble bath.

■ **Headquarters**

Revlon Inc.
767 5th Ave.
New York, N.Y. 10022
(212) 572-5000

■ **Corporate personnel**

Ronald O. Perelman, chmn & ceo; Howard Gittis, vice chmn; Sol Levine, pres; Lawrence Wechsler, pres-Revlon Comms. & Creative Grp.

■ **Marketing personnel**

Richard Tarlow, exec vp-adv; George W. Feld, vp-adv svcs; Anthony Cozzolino, vp-media & budget. Revlon Classic Cosmetics & Fragrance Grp: Arnold Zimmerman, pres; Paul Bloch, exec vp; Steve Costa, sr vp-mktg. Peter Beatus, pres-Beauty Care Grp.; Andrea Robinson, pres-Ultima II; Michael Gannaway, gm-Prestige fragrance div; Robert Nielsen, pres-Fashion & Designer Grp.; Jackie Hadley, vp-mktg, Fashion & Designer Grp.

■ **Brands**

Revlon, Almay, Ultima II, Max Factor, No Sweat deodorant, fragrances
Ad agency: Tarlow Advertising, New York. Richard Tarlow, exec vp-adv.

Corp media buying
Ad agency: Young & Rubicam, New York. Denise Weiman, vp-grp super, natl television.

Scaasi frangrance
Ad agency: Peter Rogers Associates, New York. Linda McGrath, acct super.

RANK: 9

RJR Nabisco

New York
Ad spending: **$703.5** million

■ **U.S. ad spending** ($ in thousands)

By media	1989	1988	% chg
Magazine	132,781	116,903	13.6
Sunday magazine	4,073	6,207	(34.4)
Newspaper	6,176	6,992	(11.7)
Outdoor	49,149	57,246	(14.1)
Network TV	143,452	168,091	(14.7)
Spot TV	11,261	17,214	(34.6)
Syndicated TV	13,458	14,974	(10.1)
Cable TV networks	19,149	13,934	37.4
Network radio	2,584	4,741	(45.5)
Spot radio	4,257	501	749.2
Measured media	386,340	406,802	(5.0)
Unmeasured	317,200	334,100	(5.1)
Total	703,540	740,902	(5.0)

By top brands	1989	1988	% chg
Nabisco cookies & crackers	69,906	63,238	10.5
Salem cigarettes	29,606	34,943	(15.3)
Camel cigarettes	27,222	23,903	13.9
Vantage cigarettes	24,999	27,719	(9.8)
Winston cigarettes	23,981	30,460	(21.3)

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By top brands	1989	1988	% chg
Nabisco cereals	21,572	28,280	(23.7)
Magna cigarettes	19,618	4,783	310.1
Now cigarettes	18,396	25,359	(27.5)
More cigarettes	17,825	16,461	8.3
Fleischmann's margarine & oils	14,924	12,476	19.6

■ Sales & earnings ($ in millions)

Worldwide	1989	1988	% chg
Sales	12,764	12,635	1.0
Earnings	2,016	1,924	4.8

Division sales	1989	1988	% chg
Tobacco	6,981	7,068	(1.2)
Food	5,783	5,567	3.9

■ Annual review

RJR Nabisco in 1989 sliced its advertising budget as part of a companywide move to hold down costs while paying back debt incurred from the company's $25 billion buyout by Kohlberg Kravis Roberts & Co. in 1988.

The company pared media spending by $50 million for the year. Advertising isn't expected to move much this year either: RJR Tobacco late in 1989 told magazine publishers it would slash its print budget by 25% or an estimated $26 million in 1990. It also stopped the traditional practice of promoting cigarettes at the end of each quarter to move inventories.

RJR cigarette products, however, finished 1989 with a marginal increase in measured spending—to $172.8 million, up 3%, according to LNA/Arbitron.

Much of the debt reduction in 1988-89 came from the sale of businesses: The European foods operation was sold to BSN Groupe, Paris, for $2.5 billion; Chun King was bought by Yeo Hiap Send Ltd. and Fullerton Holdings Pte. Ltd. for $52 million; Del Monte fresh fruits went to British company Polly Peck International for $875 million; Del Monte processed foods were picked up by a management group backed by Citicorp and Kikkomann Corp. of Japan for $1.48 billion; Nabisco's Baby Ruth and Butterfinger brands were snapped up by Nestle Foods for $370 million.

RJR has had its Milk-Bone dog biscuits on the block since mid-1990, but no takers have surfaced at presstime.

Cost savings also came from the reduction of 1,640 jobs, or more than 11% of the workforce, at R.J. Reynolds Tobacco in August 1989. Another estimated $8 million was saved when Nabisco Brands canceled its umbrella sponsorship of the Professional Golfers Assn. Tour in February 1990.

The cost-cutting turned out to be an unexpected boon for one of the company's agencies. FCB/Leber Katz Partners, when Nabisco Brands disbanded its in-house media buying staff, awarding the $140 million-plus buying assignment to the agency in fall 1989.

FCB/LKP in July had been awarded Winston cigarettes from McCann-Erickson Worldwide, New York, in a shift which also saw Camel move from McCann to Young & Rubicam, New York.

By year's end RJR had spent $23 million on Camel, down 11.5%, and another $29 million on Winston, down 34.5%, according to LNA/Arbitron.

Both brands lost share in 1989. Winston finished the year with a 9.2% market share, down from 10.7% a year earlier, while Camel dropped to 2.7% from 2.9%. Overall, RJR's share of the tobacco market slid to 28.6% from 31.8% in 1988, according to Wheat, First Securities analyst John Maxwell. The company's biggest gains came from the sector in which all tobacco companies are gaining share—the price-value end—where RJR's Doral moved from 3.4% of market to 3.6%, and Magna moved from 0.1% to 0.5%.

New management moved into the tobacco unit in July 1989 as David Iauco became senior VP-marketing, succeeding John Winebrenner, who moved to senior VP-RJR Tobacco International. Mr. Iauco, formerly senior VP at RJR Tobacco Development Co., had overseen the Premier "smokeless" cigarette, another casualty of buyout debt.

The company also canceled test marketing of Uptown, a black-targeted cigarette, after public outcry from religious, political and health officials. Uptown, handled by Trone Advertising, Greensboro, N.C., had been slated for test in Philadelphia in February 1990.

Only weeks later, RJR made national headlines with Dakota, also handled by Trone Advertising, when the marketing plan was leaked to the press. The plan positioned the brand as appealing to "virile females." RJR said the brand, which did go into two test markets, was targeted at both men and women smokers of Philip Morris USA's Marlboro.

Nabisco Brands continued an aggressive new products program in 1989, with a few notable flops. Encouraged by the success of Teddy Grahams cookies, which rang up $150 million in first-year sales, the company extended the concept to a ready-to-eat children's cereal in October. But the cereal came up short with a marginal market share of 0.3% by mid-1990.

Another Nabisco cereal, 100% Bran with Oat Bran, also failed to boost Nabisco's share in the $6.9 billion cold cereal market, where the company dropped to a 4.6% share for the period ended May 1990, down 0.7 points. Along with a hot cereal entry, Wholesome 'N Hearty Oat Bran, Nabisco's attempt to capitalize on the oat bran phenomenon failed along with similar efforts by other companies when a study casting doubt on oat bran's cholesterol-reducing ability tumbled the oat bran market.

Nabisco Spoon Size Shredded Wheat Plus, a fortified version to go head-to-head with a similar Kellogg Co. entry called Whole Grain Shredded Wheat, was introduced, and Nabisco took issue with Kellogg's claim that it was "the most nutritious" shredded wheat; the companies settled out-of-court.

Nabisco Foods defended its leadership position in the $430 million dog snacks segment with Tartar Control Milk-Bone for a pooch's periodontal problems in November 1989.

Nabisco Biscuit, which maintained its 35% share of the $6.8 billion cookie-cracker market, announced a $100 million ad blitz for seven new cookie-cracker products in September 1989. Little of that showed up in 1989 as the cookie-cracker king took a $10 million bite out of media spending for its lines, which measured $81.3 million for the year, down 10.6%.

■ Headquarters

RJR Nabisco
1301 Avenue of the Americas
New York, N.Y. 10019

■ Corporate personnel

David Kalis, sr vp-worldwide comms.

■ Brands

Corp adv

Ad agency: Babbit & Reiman, Atlanta. Joel Babbit, Joey Reiman, principals.

■ Subsidiary

R.J. Reynolds Tobacco Co.
Winston-Salem, N.C.

■ Marketing personnel

Peter Hoult, exec vp-mktg; David Iauco, sr vp-mktg.

■ Brands

Winston, Salem, Vantage, Ritz

Ad agency: FCB/Leber Katz Partners, New York. Robert Hirsch, sr exec vp; Ted Littleford, sr exec vp-exec creative dir.

Camel, More, Now

Ad agency: Young & Rubicam, New York. Jane Brite, grp genl mgr; Mike Feldman, grp dir.

Century, Magna, Doral, Sports Marketing Enterprises

Ad agency: Long, Haymes & Carr, Winston-Salem, N.C. Donald Adams, chmn-ceo; Bob Graham, vice chmn-ceo; Loren Chamberlain, vice chmn-chief mktg officer; Bob Fly, pres-coo; Logan McCabe, vp-dir, special events promo.

■ Subsidiary

R.J. Reynolds Tobacco International
Winston-Salem, N.C.

■ Corporate personnel

Dale Sisel, pres-ceo.

■ Marketing personnel

John Winebrenner, sr vp-mktg.

■ Brands

Camel-worldwide adv

Ad agency: McCann-Erickson, New York.

Regional adv: Salem, Winston

Ad agency: J. Walter Thompson USA, New York.

■ Subsidiary

Planters LifeSavers Co.
Winston-Salem, N.C.

■ Corporate personnel

Dolph von Arx, chmn-pres-ceo.

■ Marketing personnel

Cheryl Bachelder, vp-mktg & business devel; Roger Adams, dir-Planters; Joseph Collerd, dir-confections; Alan Cox, dir-business planning & devel; Larry Bumgart, dir-special markets; Kathi Mocniak, dir-rsch & analysis; Suzanne Buchanan, grp mgr-promo & graphics.

■ Brands

Planters nuts & snacks

Ad agency: Lintas:New York. Spencer Plavoukos, chmn-ceo; Bill Vitrol, acct super; Stephanie Beckner, sr vp-mgmt super; Terry Rosenquist, grp exec vp; Frank Devito, pres-dir, creative svcs; Lynn Giordano, exec vp-grp creative dir.

Care*Free Gum, LifeSavers, Fruit Juicers, Breath Savers, LifeSavers Holes

Ad agency: FCB/Leber Katz Partners, New York. Stanley Katz, chmn-ceo; Janice Lee, sr vp-grp mgmt dir; Lori Donchak, sr vp-mgmt dir; Tony Stanol, vp-accts dir; Sarah Klein, acct exec-Care*Free; Martha Darmohraj, Dan Foster, acct execs-LifeSavers & Breath Savers.

Bubble Yum, Fruit Stripe gum

Ad agency: Long, Haymes & Carr, Winston-Salem, N.C. Donald Adams, chmn-ceo; James Woods III, mgmt super; Pat Thomas, sr vp-treasurer; Robert Fellows III, exec vp; Robert Fly, pres-coo; Loren Chamberlain, vice chmn-chief mktg officer; Robert Graham, vice chmn-chief creative officer.

■ Subsidiary

Nabisco Brands
East Hanover, N.J.

■ Corporate personnel

H. John Greeniaus, pres-ceo; John Manfredi, sr vp-corp & government affairs; Ellen Marram, pres-ceo, Nabisco Biscuit Co.; William McKnight, pres-ceo, Nabisco Foods Co.

■ Marketing personnel

John McV. Robinson, vp-business planning & devel; Robert Springer, sr dir-adv svcs; Louis Rubinacci, dir-media svcs; Beth McMorrow, dir-commercial prodn, Nabisco Biscuit Co: Bruce Wood, sr vp-mktg; Sharon Fordham, sr dir-new business; Jeff Myers, sr dir-integrated mktg progs; Fran Rose, sr dir-strategic planning & mkt research; Allan Falvey, dir-proms; Michael Perry, dir-media svcs; Jim Chambers, category business dir-Nilla, Newtons & Teddy Grahams; Sandy Putnam, category business dir-Oreo, Chips Ahoy! & Kids cookies; Eric Shullman, category business dir-crackers. Nabisco Foods Co: Daniel Clark, sr vp-mktg, R&D-planning; Roger Wagner, vp-trade mktg; Alice Limina, sr dir-planning; John Mitchell, sr vp-sales, distribution & trade mktg; Marc Schoenholz, sr dir-mktg; Richard Fischetti, dir-mkt rsch & admin.

■ Brands

Nabisco Biscuit Co: crackers

Ad agency: McCann-Erickson, New York. Rob McKinley, sr vp-grp dir.

Nabisco Biscuit Co: cookies. Nabisco Foods Co: margarines, cereals, desserts, dog biscuits

Ad agency: FCB/Leber Katz Partners, New York. Colleen Gowl, exec vp-grp mgmt dir; Cynthia Perry, sr vp-mgmt dir.

Nabisco Foods Co: A.1 Steak Sauce, Grey Poupon mustard, Ortega Mexican foods, College Inn

Ad agency: Lowe & Partners, New York. Scott Smith, sr vp-mgmt service dir.

RANK: 29

Sara Lee Corp.

Chicago
Ad spending: **$357.9** million

■ U.S. ad spending ($ in thousands)

By media	1989	1988	% chg
Magazine	36,177	34,745	4.1
Sunday magazine	4,412	5,142	(14.2)
Newspaper	1,719	2,272	(24.4)
Outdoor	62	73	(14.9)
Network TV	89,795	77,788	15.4
Spot TV	27,240	26,420	3.1
Syndicated TV	4,765	3,385	40.8
Cable TV networks	3,550	2,521	40.8
Network radio	462	583	(20.8)
Spot radio	1,621	1,003	61.6
Measured media	169,802	153,934	10.3
Unmeasured	188,100	170,500	10.3
Total	357,902	324,434	10.3

By top brands	1989	1988	% chg
Hanes underclothing	31,681	20,652	53.4
L'eggs hosiery	28,314	34,065	(16.9)
Hanes hosiery	21,227	15,667	35.5
Aris Isotoner slippers	11,266	13,158	(14.2)
Hillshire Farms meats	10,932	7,872	38.9
Aris gloves	7,576	9,277	(18.3)
Hanes sportswear	7,358	2,223	231.0
Bryan meats	5,972	4,901	21.9
Jimmy Dean prepared dinners	4,768	3,065	56.2
Mr. Turkey meats	4,756	2,785	70.8

■ Sales & earnings ($ in millions)

Worldwide	1989	1988	% chg
Sales	11,600	11,700	(0.9)
Earnings	470	411	14.6

Division sales	1989	1988	% chg
Packaged meats	4,959	5,922	(16.3)
Coffee & grocery	1,834	1,816	1.0
Personal products	3,757	2,873	30.7
Household, prsnl care	1,060	1,127	(5.9)

■ Notes: Fiscal year ended June 30, 1990.

■ Annual review

With the tones of its jingle "Nobody doesn't like Sara Lee" still echoing, Sara Lee has found consumers developing new calorie and cholesterol scruples that are forcing it to reassess its product lines and streamline operations.

The company, which offers a broad range of foods, personal care and consumer product lines, continued its megabrand strategy of leveraging one brand name with another. And to facilitate better cross-promotion efforts, the company consolidated its U.S. retail food advertising this May at Lintas:USA.

The company's latest megabrand leveraging came with the introduction of Hanes Her Way women's underwear, which drew more than $13 million in measured media. The brand leverages the Hanes name and Sara Lee's women's underwear brands Bali and Canadelle.

Hanes underwear and socks are being pushed in a $20 million megabrand ad campaign, "Nothing else feels so right," featuring sports personalities Michael Jordan, Boomer Esiason, Steve Largent, Howie Long and Joe Montana.

Sara Lee's bakery lines are rapidly becoming portion-controlled, single-serve desserts with lower fat and sugar, and there is a shift into breads with a fuller line of bagel and muffin products. Sara Lee remains the market leader in baked goods with a 27% share.

The company is closing the Deerfield, Ill. headquarters plant.

Originally designed for 13 products when opened in 1964, the plant is now handling more than a thousand. This produced inefficiencies and influenced a downturn in the bakery division's performance.

In fiscal 1990, ended midyear, operating

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income dropped to $30 million from $60 million in the prior-year period. Bakery sales volume declined 3% in fiscal 1990.

A Sara Lee spokesperson also attributed the slowing bakery sales to a shift in consumer tastes, some ineffective product promotions and an upswing in restaurant dining. The bakery line dropped 49% in measured ad spending in 1989 to $7.7 million.

Sara Lee's meat companies are launching new lighter formulations. Hygrade recently introduced a Ballpark Lite hot dog with one-third less fat, now about 85% national in distribution. Bil Mar is first in the industry with a 98% fat-free skinless quarter turkey breast, sold under the Mr. Turkey brand. Under the Rudy's Farm brand, the Sara Lee Sausage division introduced its "Morning Light" line of breakfast sausage links and patties, formed in smaller portions with lower calories and less sodium and cholesterol.

The company's meat lines made the biggest percentage jump in ad spending in 1989, climbing 43.3% to $41.5 million, according to LNA/Arbitron. Sara Lee's meat brands (Hillshire Farm, Jimmy Dean, Hygrade, Bryan and Kahn's) give it a 21% share of market. Sara Lee ranks No. 1 in smoked sausage at 38% of market, No. 1 in breakfast sausage at 25% and No. 2 in lunch meats at 11%.

The highest ad dollar total in 1989, as in the preceding year, was for hosiery—$50 million, including $28.1 million for L'eggs, down 8.8%, and $18.9 million for Hanes, up 19.8%. The two big hosiery lines give the company market leadership with a 43% share.

Gloves, marketed under both Aris and L'eggs labels, drew $8 million in media, down 19.5%. Bras and panties got $15.7 million in media, up from $6.3 million, to support Bali, Hanes Her Way and L'eggs Just My Size brands. Sales generated by the women's pantyhose line tie Sara Lee with Playtex for market leadership. Hanes men's underwear got $17.3 million, up 8.2%. The line, which claims a 27% share of market, is second to Fruit of the Loom.

Sara Lee operations were consolidated from five to two main segments, each with two business lines: Packaged Foods, including packaged meats and bakery (plus coffee and grocery lines); and Packaged Consumer Goods, including personal products and household and personal-care lines. The company also coalesced its disparate regional and national meat producers into two broad groups, Sara Lee Packaged Meats and Sara Lee Sausage Division.

C. Steven McMillan, Sara Lee strategy chief, will head up Sara Lee's packaged meats, bakery and foodservice business. He was named temporarily Sara Lee Bakery CEO, a post vacated by Thomas D. McLeod Jr., who left to become president-CEO of Iams Co.

Lintas:USA took Bryan Foods from Ally & Gargano, Bakery (retail) from Chiat/Day/Mojo, New York, and Sara Lee Sausage Division (retail) from four regional agencies.

■ Headquarters

Sara Lee Corp.
Three First National Plaza
Chicago, Ill. 60602-4260
(312) 726-2600

■ Marketing personnel

George Sokolowski, vp-mktg & adv, Aris Isotoner. Adams Millis: George Burfeind, pres-ceo; Don Fought, dir-mktg, Hanes Bill Blass Collection, Hanes Her Way & Natural Moves; Ann Thomason, Julianne Golden, Bruce Peoples, mktg mgrs. Bali Co.: Mary Kay Edwards, vp-mktg & merch; Karyl Chongas, dir-mktg. Bil Mar Foods: E. James Weber, vp-sales & mktg, food service; Dan Lennon, dir-mktg; Warren Waters, vp-deli div; Jan Gullet, vp-retail div. Bryan Foods: Irv Bronska, pres; Bob Hughes, vp-mktg; Norman Bessac, dir-mktg, Rich Lowry, dir-new business devel. Buring Food Grp: Billy D. Brown, vp-sales & mktg; Robert Whitsitt, dir-mktg. Canadelle: Ken Steward, pres; Ray Nadeau, vp-mktg; David Authier, dir-mktg; Robert Paluzzi, mktg mgr-WonderBra & Just My Size; Sheldon Deitcher, mktg mgr-Daisy Fresh; George Cook, dir-creative svcs. Champion Prods: Terry Owen, pres; Paul Wold, vp-mktg; Ward Wilson, vp-merch; Cliff Bull, vp-dir, graphics & comms. Coach Leatherware Co.: Michael Colemen, vp-mktg; Catherine Sadler, dir-comms. Design Foods: Hal Carper, vp-mktg & special segment sales. Hanes Hosiery: Carol Mabe, vp-mktg; Charlotte Farrior, dir-Hanes; Randy Royer, dir-retail mktg. Hanes Her Way: Barry Boyd, pres; Ted Cooper, dir-mktg, bras & panties; Fran Braun, dir-mktg, activewear. Hanes Menswear: Kirk Beaudin, pres; John Ceneviva, vp-mktg, retail; Jim Ostrowski, vp-mktg, Hanes Printables; Steve Lineberger, dir-mktg, underwear; Paul Snyder, dir-mktg, retail activewear; Bob Vaughan, dir-mktg, Hanes Printables. Hillshire Farm & Kahn's: Greg Sykes, vp-retail sales & mktg; Dick Dedden, vp-retail mktg; Jay Leigever, dir-mktg, smoked & semi-dry sausages. Hygrade Food Prods: Thomas Bailey, sr vp-mktg & sales; Margaret Riley, vp-dir mktg. Kiwi Brands: S.F.P. Stanbrook, exec vp-sales & mktg. L'eggs: Michael Flatow, vp-mktg & sales; Jon Letzler, vp-mktg mgmt; Steve Lineberger, Gerald Evans, mktg dirs; David Hauber, dir-sales & mktg svcs. PYA/Monarch: Joe B. Pearce, pres-ceo; John Millard, business devel & natl chain sales. Sara Lee Bakery: Thane Pressman, exec vp; Richard Seban, dir-mktg; Joe Holman, mktg comms mgr; Cindy Kerr, dir-new prods. Sara Lee Meat Grp: Edward Jenkins, vp-retail mktg. Sara Lee Sausage Div: Gina Domm, vp-retail mktg; Bob Holiday, vp-foodservice; Tom McDonald, mgr-foodservice mktg; Dough Schoenrock, mgr-new prod mktg, foodservice. Seitz Foods: Rick Benward, dir-sales. State Fair Foods: Mike Kenter, vp-sales & mktg. Superior Coffee & Foods: John Hughes, vp-mktg; Mary Kay Buettgen, dir-mktg; Ralph Russo, vp-gourmet div; Bruce Flowers, mgr-adv & promo; Eileen Podkulski, super-mktg svcs; Wendie Looshi, mktg coord.

■ Brands

Hanes Her Way, Hanes underwear, Pannill Knitting Co.-fleecewear, Adams Millis-socks, Fitting Pretty

Ad agency: Long, Haynes & Carr, Winston-Salem, N.C. Bill Lavasseur, mgmt super-Hanes Her Way; Myra Falkenberry, acct super-women's wear; Bill Britt, mgmt super-men's wear; Jim Mitchell, acct super-men's wear; Wendy Barclay, acct exec; Lynn Salzburg, mgmt dir-Hanes hosiery; Lauren Menella, acct exec-Hanes hosiery; Ed Appert, acct super-Fitting Pretty; Maureen Dunkley, acct exec-Fitting Pretty.

Hanes Donna Karan hosiery

Ad agency: Arnell Bickford, New York. Peter Arnell, Ted Bickford, owners; Trey Laird, sr vp; Barbara Lederberg, vp.

Hanes Liz Claiborne hosiery

Ad agency: Altschiller Reitzfeld Davis/-Tracy-Locke, New York. Deborah Stymest, vp-mgmt super; Suzanne Ricciardi, acct exec.

L'eggs, Just My Size, Bali, Aris Isotoner-media buying, Hanes

Ad agency: Saatchi & Saatchi Advertising, New York. Michael Donahue, exec vp-mgmt dir, Hanes, Bali, L'eggs, Aris Isotoner; Marty Gertler, sr vp-mgmt super, Hanes, Bali, L'eggs, Just My Size, Aris Isotoner; Lyn Salzberg, acct super-Hanes; Carol Sessions, acct exec-Aris Isotoner; Evangeline Ames, acct super-Bali; Rich O'Gorman, media super-Aris Isotoner.

Sheer Energy L'eggs medical programs

Ad agency: Kallir, Philips, Ross, New York. Norman Cooper, pres-coo; Virginia Foley, sr vp-mgmt super.

Hygrade

Ad agency: Lintas:Campbell-Ewald, Detroit. William Case, sr vp-acct super; Thomas Sager, acct exec.

Bil-Mar, retail self-serve

Ad agency: Lintas:Campbell-Ewald, Detroit. Bill Case, sr vp-mgmt super; Tom Sagers, acct exec.

Canadelle, WonderBra

Ad agency: The Academy, Ogilvy Communications, Montreal. Jean Deschenes, grp super-dir, client svcs; Stephanie Kouri, acct mgr.

Canadelle, Daisy Fresh

Ad agency: Prisme, Montreal. Jennifer Damiani, acct dir; Lynn Roberge, acct exec.

Bryan Foods, Flavor of the South, Hot Dogs, Smokey Hollow, lunch meats

Ad agency: Lintas:USA, New York. George Bauerschmidt, sr vp; Lois Lucker, acct exec.

Sara Lee Bakery, retail

Ad agency: Lintas:USA, New York. Peter Barnet, exec acct dir; Lance Smith, mgmt super; Leah Carr, acct super.

Champion athletic apparel & footwear

Ad agency: Rumrill-Hoyt, Rochester, N.Y. Helen Hutchings, acct super; Malcolm Gray, acct exec.

Coach leatherware

Ad agency: Lord Einstein O'Neill & Partners, New York. Arthur Einstein, pres; Lynn Stiles, copywriter; Seyman Ostilly, vp-art dir.

Design Foods

Ad agency: Leon Banowitz Design, Dallas. Leon Banowitz, owner.

Hillshire Farm & Kahn's meats, State Fair Foods

Ad agency: Lintas:USA, New York. Peter Barnet, exec vp; Lance Smith, mgmt super; Mark Solomon, acct super.

Hillshire Farm & Kahn's-natl mktg, media svcs

Ad agency: Sive Associates, Cincinnati. Phil Mandel, vp-mktg planning; Tom Allen, acct exec.

Kiwi brands, Bloo, Miracle White, Jonny Blue/-Jonny Green, Ty-D-bol, Sting Kill, Wood Preen, Tintex

Ad agency: Lewis, Gilman & Kynett, Philadelphia. Robert W. Schell, vp-grp mgmt; John H. Krick, acct super; Les Altenberg, acct exec.

Kiwi brands, Ambi

Ad agency: UniWorld Group, New York. Herb Kemp, pres; Mariam Muley, acct super.

nGallo Salame

Ad agency: Lewis, Broward & Associates, Oakland, Calif. C. Roger Lewis, pres; Fred Whelan, acct exec.

Sara Lee Sausage div-retail

Ad agency: Lintas:USA, New York. Peter Barnet, grp mgmt super; Slenn Morrichi, mgmt acct super-sausage div.

RANK: 72

Schering-Plough Corp.

Madison, N.J.
Ad spending: **$150.2 million**

■ U.S. ad spending ($ in thousands)

By media	1989	1988	% chg
Magazine	18,529	19,074	(2.9)
Sunday magazine	0	720	NA
Newspaper	1,611	442	264.6
Outdoor	77	148	(48.2)
Network TV	31,919	43,362	(26.4)
Spot TV	4,348	7,086	(38.6)
Syndicated TV	3,380	2,278	48.4
Cable TV networks	3,140	2,812	11.7
Network radio	7,809	9,170	(14.8)
Spot radio	1,794	1,202	49.2
Measured media	72,607	86,293	(15.9)
Unmeasured	77,600	92,300	(15.9)
Total	150,207	178,593	(15.9)

By top brands	1989	1988	% chg
Drixoral 12 hour cold tablets	12,591	11,815	6.6
Tinactin medication	7,693	6,216	23.8
Dr. Scholl's products	7,465	6,764	10.4
Correctol laxative	7,028	6,754	4.1
DuraSoft contact lenses	6,276	8,134	(22.8)
Coppertone products	5,556	3,924	41.6
Stay Trim reducing aids	3,694	7,480	(50.6)
Duration cold products	2,899	2,401	20.8
Dr. Scholl's med. equip	2,866	3,421	(16.2)
Drixoral Plus cold tablets	2,535	1,182	114.5

■ Sales & earnings ($ in millions)

Worldwide	1989	1988	% chg
Sales	3,158	2,969	6.3
Earnings	471	390	20.9

U.S.	1989	1988	% chg
Sales	1,987	1,797	10.6
Operating profit	538	447	20.3

Division sales	1989	1988	% chg
Pharmaceuticals	2,432	2,144	13.4
Consumer prods	664	685	(3.0)
Divested businesses	62	141	(56.3)

■ Annual review

Following the divestiture of cosmetics marketer Maybelline Co., Schering-Plough combined its OTC suncare, footcare and consumer products under the newly created Schering-Plough HealthCare Products unit.

The company, which discounted conjecture that it might bail out of consumer products altogether, continued to stress its growing focal point of transforming prescription drugs into OTC products.

S-P is stepping up its OTC introductions, citing an OTC market that is growing at a 9% clip compared to 7% for prescription drugs, and consumer interest in self-medication to combat rising prescription drug prices.

The latest Rx-to-OTC product, the topical antifungal Lotrimin AF, recently got FDA approval to be marketed under the same name and formula as its prescription counterpart.

In the reorganization, S-P also established Schering-Plough HealthCare Advertising Corp. to take over in-house media planning and placement for the new division, whose products in 1989 spent $60 million in media.

Company sales now may be weighted toward its pharmaceutical business, but consumer products still have critical mass. The new consumer division ranks

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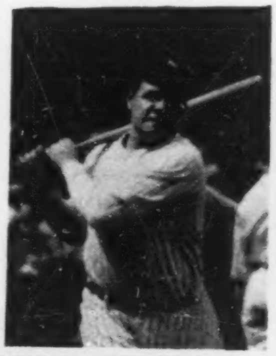

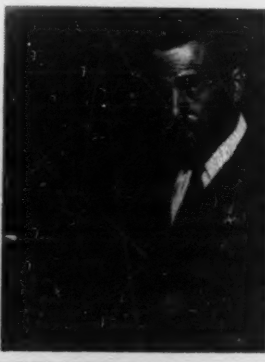

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Paul Hornung
Ernie Stautner
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Jesse Owens

(Boxing)
Joe Louis
Rocky Marciano

fifth in sales volume among the top 10 OTC and suncare companies.

During the course of moving established OTC brands into the new consumer division, Schering-Plough cut off consumer media spending for Afrin, Coricidin and Chlor-Trimeton. On the other hand, media outlays for the Drixoral line increased 13.5% to $15.1 million.

Medications, part of S-P's old consumer unit, got increased ad support, although advertising for most is minor. Spending on Feen-A-Mint laxative, Di-Gel and Duration nasal spray and decongestants was up substantially, but none of the products received more than $1.2 million. Correctol laxative advertising grew by 1% to $7 million.

The emphasis of suncare products and their marketing can't stress skin protection enough. Coppertone, Schering's largest suncare brand, introduced sun protection factor 44 lotion and Tan Magnifier Lotion. Ad spending weighed heavily on the new products, which, at $5.6 million, accounted for over 60% of S-P's measured spending in the category. Coppertone's spending shifted from TV to magazines, and its overall media growth of 41.6% was slightly less than the 48.8% industry category average. Schering maintained the lead in suncare with a 34% market share from Coppertone, Shade, Tropical Blend and Solarcaine brands.

Dr. Scholl's kept control of the footcare products business with a 61% unit share of the U.S. market. Measured ad spending rose 11.4% to $12.9 million and shifted to magazines and radio from TV and newspaper. Emphasis was on shoe inserts, including Back Guard and Air Pillo inserts, which accounted for over 50% of spending. Dr. Scholl's got one new entry—Clear Away Wart Remover.

S-P signed a licensing agreement in June 1989 with Japan's Lion Corp. to manufacture and market Zact smokers' toothpaste and Check-Up anti-plaque toothpaste and gum in North America. After finalizing the agreement S-P moved the estimated $2 million account to Masterson & Rothberg, New York, from Bozell, Minneapolis.

The Schering-Plough Pharmaceuticals division is expecting FDA approval soon for Claritin, a once-a-day, non-sedating antihistamine for asthma and allergy treatment. The product broadens S-P's category anchored by Proventil, which grew in sales by 56% last year but lost its patent protection in December. S-P developed an improved inhalation device and special sustained-release tablets to help safeguard Proventil's growth.

Wesley-Jessen vision-care unit added two new shades—misty gray and chestnut brown—to its DuraSoft 3 Colors contact lens line. In 1990 the company launched DuraSoft 3 OptiFit lenses, a flexible wear toric lens. Media backing for DuraSoft, the second largest advertiser of contact lenses, was cut 21% to $6.3 million compared with a 12% decrease from category leader Johnson & Johnson's Acuvue lenses.

Maybelline Co., sold to Wasserstein Perella Partners, the company that also picked up Yardley/Lentheric from SmithKline Beecham, maintained its No. 2 rank in unit volume in the mass color cosmetic market in 1989 despite a measured ad spending decrease of 17.3% to $31.7 million.

S-P's sale of Maybelline parallels a trend by drug companies to leave the cosmetics market. Aside from the sizable infrastructure required in dollars and manpower to sustain such a market, cosmetics have been a slow-growth business.

■ Headquarters

Schering-Plough Corp.
One Giralda Farms
Madison, N.J. 07940-1000
(201) 822-7000

■ Marketing personnel

S-P HealthCare Prods div: David E. Collins, pres; Lewis Nolan, vp-comms. Pharmaceutical Operations div: Rodolfo Bryce, sr vp-mktg & sales, Rx-Schering Labs; Robert Baldini, sr vp-sales & mktg, Key Pharmaceuticals-Schering Labs.; Glenn Horrocks, vp-US mktg & sales, S-P Animal Health; Thomas F. Battaglini, sr dir-mktg, S-P Animal Health; John F. Kopf, dir-mktg svcs, S-P Animal Health; Charles Stroupe, pres, Wesley-Jessen; Robert Cullen, vp-sales & mktg, Wesley-Jessen; Thomas Steiner, sr dir-intl & professional mktg, Wesley-Jessen.

■ Brands

Corp media buying

Ad agency: Schering-Plough HealthCare Prods. Adv. Corp. (in-house), Liberty Corner, N.J. Russell Elliott, pres; Ron Menick, vp-media planning; Steve Romines, vp-media purchasing.

HealthCare Prods.: Correctol, Dr. Scholl's insoles, Lotrimin AF, Solarcaine, Tropical Blend, Water Babies

Ad agency: Cadwell Davis Partners, New York. Franchellie Cadwell, pres; Herman Davis, chmn-creative dir; Steven Brophy, sr vp-writer; Barbara Livenstein, sr vp-art dir; Chris Amato, sr art dir; Toby Finneman, sr writer; Elliot Glazer, exec vp-dir acct svcs; Andy Schaer, vp-mgmt super; Brenda Klumpp, acct super.

HealthCare Prods: Afrin, Coppertone, Coricidin, Dr. Scholl's Back Guard, Dr. Scholl's Clear Away, Dr. Scholl's Hidden Comfort, Dr. Scholl's Smooth Touch, Dr. Scholl's corn & callus products

Ad agency: Della Femina, McNamee, New York. Ueli Morant, exec vp-grp acct dir; Larry Smith, vp-mgmt super, Afrin; Robert Peterson, vp-mgmt super, Coppertone; Mark Jones, acct exec-Coppertone, Joanne Tilove, vp-mgmt super, Dr. Scholl's; Patty Ciambra, acct exec-Dr. Scholl's.

HealthCare Prods.: Chlor-Trimeton, Drixoral, Duration, Feen-A-Mint, Shade, Tinactin

Ad agency: Warwick Baker & Fiore, New York. Wilder Baker, pres-ceo; Andy Mockler, sr vp-grp acct dir; Rebecca Randall, vp-acct super; Anita May, acct super.

Wesley-Jessen: DuraSoft contact lenses, Aquaflex contact lenses, Complements contact lenses, lens solutions

Ad agency: Young & Rubicam, Chicago. Dana Anderson, sr vp-grp dir; Tim Pretzsch, vp-acct super; Mary Hasten, acct exec.

RANK: 77

Seagram Co.

Montreal
Ad spending: **$136.8** million

■ U.S. ad spending ($ in thousands)

By media	1989	1988	% chg
Magazine	29,362	32,016	(8.3)
Sunday magazine	1,379	1,159	18.9
Newspaper	2,920	2,993	(2.4)
Outdoor	9,021	9,276	(2.7)
Network TV	34,707	44,360	(21.8)
Spot TV	10,238	9,683	5.7
Syndicated TV	9,418	3,440	173.8
Cable TV networks	702	111	534.3
Spot radio	4,054	1,745	132.3
Measured media	101,801	104,783	(2.8)
Unmeasured	35,000	36,000	(2.8)
Total	136,801	140,783	(2.8)

By top brands	1989	1988	% chg
Tropicana juices	46,795	32,505	44.0
Seagram's Canadian	13,595	15,790	(13.9)
Seagram wines	8,782	25,817	(66.0)
Chivas	5,581	7,194	(22.4)
Seagram's gin	4,311	4,825	(10.7)
Seagram's 7 Crown whiskey	3,748	4,236	(11.5)
Martell	2,796	283	889.1
Glenlivet	2,222	2,533	(12.3)
Captain Morgan liquor	1,536	1,449	6.0
Seagram's liquors	1,431	1,324	8.1

■ Sales & earnings ($ in millions)

Worldwide	1989	1988	% chg
Sales	5,582	5,056	10.4
Earnings	711	589	20.5

U.S.	1989	1988	% chg
Sales	2,742	2,469	11.1
Operating income	50	(7)	NA

Division sales	1989	1988	% chg
Spirits & wine	4,531	4,282	5.8
Fruit juices	1,051	774	35.8

■ Notes: Fiscal year ended Jan. 31, 1990.

■ Annual review

Seagram Co. is expanding aggressively into juice and soft drinks to offset sluggish sales, particularly in North America, in distilled spirits and wines.

Although Seagram's sales increased 5.8% in spirits and wines for the year, the fiscal 1990 returns are masked by price increases and the first full-year's returns for Martell S.A., the world's second largest cognac producer bought in April 1988. Seagram's U.S. volumes actually declined as wine and spirits cooler case sales dropped and Seagram's sold 24 lower-priced spirits brands.

The company introduced Tropicana Twister juice blends and purchased the American Natural Beverage Corp., makers of Soho Natural Sodas, to help push the fruit juices/soft drinks segment to 19% of total company sales from 15% a year ago.

Sales of Soho, however, may not be as strong as Seagram originally anticipated. While the company does not release sales figures on any of its products, it has not been supporting the product with advertising for several months. While this inactivity has led Soho to split with agency Chiat/Day/Mojo after Chiat won the account only a year ago, Seagram insists the account is up for review and that advertising will resume with a new agency.

There is some speculation that Seagram is having distribution problems with Soho.

The company introduces the carbonated Tropicana Juice Sparklers this fall with an estimated $10 million campaign. Seagram expects the four-flavor product to compete with New Era Beverages' Sundance. The campaign, from DDB Needham Worldwide, New York, is themed "The world isn't flat anymor ," and emphasizes the product's carbonated quality.

Tropicana's flagship orange juice is locked in a market battle with Coca-Cola Co.'s Minute Maid brand, which has made substantial gains. At midyear 1990, Minute Maid posted a 23.6% share of the U.S. retail orange-juice business, compared with Tropicana's 21% share.

While Seagram's is making strides in the soft drink market, 80% of the company's sales still come from alcoholic beverages. In 1989, the company ranked No. 2 with 14% of the U.S. market, slightly trailing Grand Metropolitan's International Distillers & Vintners. IDV is comprised of Heublein Inc., Paddington Corp. and Carillon Importers.

Seagram remains the leading manufacturer of wine coolers despite a considerable drop in consumer interest. Its cooler sales of $400 million represent 40% of the $1 billion cooler market. Seagram's closest competitor is E&J Gallo's Bartles & Jaymes.

This April, Seagram moved its $15 million wine cooler account to Wells, Rich, Greene, from Ogilvy & Mather, both New York. New print and broadcast campaign broke later in the spring. WRG also handles Takara Sochu, a 70-proof Japanese liquor testing on the West Coast.

Then in June, Wyborowa, a choice vodka, was launched nationally under the Seagram banner.

Last month Seagram's eliminated 177 jobs, including the 20-person, in-house media buying unit, largely for print, headed by Alan Gold, director of media. The move was made to economize. The agencies handling creative were given responsibility for buying. As a result, Seagram agencies absorbed the $55 million in buying previously handled in-house.

DDB Needham received $26 million in buying for the Seagram's premium brands including Crown Royal and Chivas Regal. O&M received $17 million in buying for Seagram's name liquors and WRG for Seagram's Coolers, about $10 million.

■ Headquarters

Seagram Co.
1430 Peel St.
Montreal, Quebec H34 1S9
Canada

Jos. E. Seagram & Sons
375 Park Avenue
New York, N.Y. 10152
(212) 572-7000

■ Corporate personnel

Edgar M. Bronfman, chmn-ceo; Charles R. Bronfman, co-chmn; David G. Sacks, vice chmn; Edgar Bronfman Jr., pres-coo; Richard K. Goeltz, exec vp-finance; John Preston, treasurer; Michael C.L. Hallows, secretary; Stephen E. Herbits, exec vp-corp policy & external affairs; M. Jacqueline McCurdy, vp-state & industry relations; Stephen Koplan, vp-government affairs; Daniel R. Paladino, vp-corp planning & analysis; Arthur S. Margolin, vp-special asst to office of chmn & pres; Edward Falkenberg, vp-controller; William K. Friedman, vp-corp affairs. Seagram USA: William G. Peiterson, pres; Dr. Leslie Bluhm, vp-research; Dr. William E. Riha, vp-research & devel. Seagram USA-The House of Seagram: Jerome S. Mann, pres; Martin Bart, exec vp-sales; Stephen J. Kalagher, exec vp-finance & admin; Edward P. Cohen, vp-operations; Andrew Harmon, vp-sales svcs; Gilbert Schneider, vp-finance. Seagram USA-The Seagram Beverage Co: C. Richard Coffey, pres; Bruce Hack, exec vp-finance & admin; Vincent R. Partridge, vp-merch; Robert O'Dowd, vp-dir, sales svcs. Seagram Classic Wine Co: Samuel Bronfman II, pres; Chester Hutchinson, vp-human resources; Thomas Cary Gott, pres-The Monterey Vineyard; Thomas Ferrell, sr vp-Napa Valley Properties; Guy Devaux, pres-Domaine Mumm Winery; William Boykin, Ray Chadwick, Wallace Holtsinger, vp-div mgrs; Lewis Miller, div mgr; Franklin Catlin, vp-Vineyard operations, Napa Properties. Seagram Chateau & Estate Wines Co: Abdallah H. Simon, chmn; Maurice Lartigau, sr vp-Metro N.Y.; John Laird, exec vp-sales; J. David Schnell, vp-finance & admin; Brigitte Plummer, vp-Western div.

■ Marketing personnel

Mark Taxel, exec vp-mktg; Henry Hawley, vp-dir mktg, beverage-alcohol prods & new prod devel; Robert Berger, vp-dir, mktg non-alcoholic beverages. Seagram Classic Wine Co: Michael Harbison, exec vp-sales & mktg; Louis Keyes, vp-mktg.

■ Brands

Captain Morgan Rum, Chivas Regal, Royal Crown, Leroux cordials, Lord Calvert, Canadian, Martell Cognacs, Mumm VSOP Cognac, Myers' Rum, Royal Salute, Seagram International, Wyborowa Vodka, Tropicana new products, Tropicana Sparkler

Ad agency: DDB Needham Worldwide, New York. Ardean Fishman, vp-mgmt super; Thom Dean, acct super; Cheryl Roberts, Maggie Bergin, Jenny Von Feldt, Mary Callopy, acct execs.

Bandiera, Barton & Guestier (B&G) wines, Charles Krug wines, C.K. Mondavi, Kayser, Mirassou Vineyards, The Monterey Vineyard, Domaine Mumm sparkling wine, Sterling Vineyards

Ad agency: Grey Advertising, San Francisco. Jack Brotherton, sr vp-mgmt super.

Ethnic adv

Ad agency: Mingo Group, New York. Samuel Chisholm, pres; Bill McGugins, vp-mgmt super; Robert Hinton, Rogers Campbell, Lorraine Melton, mgmt supers; Dee Santana, acct super; Lorraine Sharp, acct exec.

Boodles gin, Canadian Hunter, Seagram's gin, 7 Crown, Glenlivet, Seagram's VO

Ad agency: Ogilvy & Mather, New York. Neve Savage, sr vp-grp dir; Don Blashford, sr vp-acct dir; Greg Deligdisch, Mark Grieco, Joanne Mustapich, acct mgrs.

Herradura tequila, Jameson Premium whiskey, new products, Seagram wine cooler

Ad agency: Wells, Rich, Greene, New York. Joe Picciotti, acct super; Nance Andjelic, asst acct exec.

Tropicana Galop, Tropicana Homestyle, Tropicana Pure Premium, Tropicana Twister

Ad agency: Leo Burnett USA, Chicago. Mike Hall, sr vp, acct dir; Bill Boris, exec vp; Jan Anderson, Ray DeThorne, acct supers; Richard Stoddart, Jim Dzwierzynski, acct execs.

RANK: 3

Sears, Roebuck & Co.

Chicago
Ad spending: **$1,432.1** million

■ U.S. ad spending ($ in thousands)

By media	1989	1988	% chg
Magazine	20,557	33,347	(38.4)
Sunday magazine	15,986	3,417	367.9
Newspaper	153,560	157,279	(2.4)
Outdoor	533	496	7.4
Network TV	187,511	85,901	118.3
Spot TV	58,404	24,421	139.2
Syndicated TV	4,454	1,741	155.8
Cable TV networks	13,344	4,651	186.9
Network radio	70,988	67,612	5.0
Spot radio	36,053	25,431	41.8
Measured media	561,389	404,295	38.9
Unmeasured	870,700	627,100	38.8
Total	1,432,089	1,031,395	38.8

By top brands	1989	1988	% chg
Sears, Roebuck & Co. misc	193,818	110,770	75.0
Sears, Roebuck & Co. household	107,542	68,437	57.1
Discover credit card	40,853	31,006	31.8
Sears, Roebuck & Co. apparel	31,887	36,755	(13.2)
Sears, Roebuck & Co. automotive	30,468	15,231	100.0
Allstate auto insurance	20,596	9,261	122.4
Allstate homeowners insurance	18,358	21,986	(16.5)
Allstate insurance	13,507	19,008	(28.9)
Dean Witter Reynolds	12,932	4,533	185.3
Sears batteries	10,246	8,208	24.8

■ Sales & earnings ($ in millions)

Worldwide	1989	1988	% chg
Sales	53,794	50,251	7.1
Earnings	1,509	1,454	3.8

Division sales	1989	1988	% chg
Sears Merchandise Group	31,599	30,256	4.4
Allstate Insurance Group	16,803	14,924	12.6
Dean Witter Financial Services	4,065	3,758	8.2
Coldwell Banker Real Estate	1,448	1,444	0.3
Corporate, other	146	198	(26.3)

■ Annual review

Sears, Roebuck & Co. is up against a wall in trying to invigorate its ailing Merchandise Group. Despite restructuring, the attempt to create a new pricing strategy and major store overhauls in 1990, Sears has not improved sales.

Throughout these efforts, Sears averred it was simply a matter of time before the improvements would reach the bottom line. But by late 1990 it was clear that time may not be on Sears' side.

The strongest indication that the net effect of its efforts was nil came when Sears' Chairman Edward Brennan took the unprecedented move in August 1990 to assume day-to-day control over retail operation, replacing previous retail group Chairman-CEO Michael Bozic, who was moved to group president-COO.

Mr. Brennan quickly left his mark. In mid-September some 600 headquarters employees were offered severance packages, jobs of 1,400 others were placed under review, and eight staffs responsible for planning, personnel, public affairs and legal affairs were condensed to four. Thomas E. Morris Sr., VP-marketing, resigned and was replaced by Matthew A. Howard. Vern Page, VP-catalogue merchandising, retired. Next likely move is to sell or close some of Sears' sprawling network of 850 stores nationwide.

Only a day before the housecleaning, Mr. Brennan announced Sears' newest promotion, the Sears Charge Bonus Club, a frequent-buyer program aimed at increasing retail sales by giving certificates valued at 1% of their purchases to shoppers who charge at least $200 in merchandise on their monthly Sears cards. The certificates can be applied toward future purchases at Sears.

While slashing costs and personnel within the bloated Merchandise Group has become a top priority, this task has been complicated by the need to nurture new strategies put into place between 1988 and 1990.

Sears concedes that its heavily advertised switch in March 1989 to an "everyday low price" strategy from its traditional approach of holding regular sales on selected merchandise failed to produce satisfactory results.

That strategy attempted to substitute Sears' traditional short-term sales on selected merchandise for lower overall prices. However, by late 1989 Sears resumed holding short-term sales on a limited amount of merchandise.

Simultaneously, Sears stepped up its TV advertising significantly, directing a major portion of its ad budget into electronic media.

In 1989 Sears became a major cable TV advertiser for the first time, using the medium to target specific demographic audiences with creative tailored to those audiences. The company increased its cable TV ad budget even further in 1990.

Ogilvy & Mather, Chicago, Sears' agency of record, was the force behind a separate major effort by Sears to communicate value and style in its network and national spot TV commercials, de-emphasizing prices.

In February Sears named Bloom Agency to handle its $5 million-$10 million, fine-jewelry and accessories advertising, which has evolved from general image to more specific, timely advertising.

In March 1990 Sears launched its first ad campaign for its in-store Craftsman Home & Yard Centers and Craftsman tools, featuring new spokesman Bob Vila. The syndicated TV program "Home Again With Bob Vila" will air this October with Sears as lead advertiser and cosponsor in a joint venture with O&M.

While stepping up its network and cable TV spending, Sears warned newspaper executives in late 1989 that it expects to curtail its ROP spending. This happened in the first quarter 1990 as newspaper spending dropped 17.8% to $25.8 million. Network TV expenditures soared 45.4% to $57.3 million as overall spending increased 11.2% to $116.6 million for the quarter, according to LNA/-Arbitron.

Sears has broadened its use of new ad vehicles, including an in-store video program launched in September 1990 carrying paid ads from outside marketers.

The company continues to expand and test specialty store concepts, including its freestanding McKids outlets and in-store departments. It is testing Hartmarx Corp.'s Kuppenheimer-brand men's suits among potentially new apparel offerings.

This year Sears opened its first freestanding Homelife Furniture stores.

■ Headquarters

Sears, Roebuck & Co.
Sears Tower
Chicago, Ill. 60684
(312) 875-2500

■ Corporate personnel

Charles Hughes, mktg mgr, Sears Financial Network.

■ Subsidiary

Sears Merchandise Group
Chicago

■ Marketing personnel

Michael Bozic, pres-coo; Laurence E. Cudmore, pres-retail stores; Matthew A. Howard Sr., vp-mktg; Eric D. Saunders, sr exec vp-wearing apparel & home fashions; Allan B. Stewart, sr exec vp-retail store operations; Alfred G. Goldstein, pres-Sears Specialty Merchandising; Ralph Hoch, natl retail mktg mgr; S. Scott Harding, natl retail adv mgr; Everett L. Buckardt, pres-catalogue merchandising; Tom Royal, natl mgr-catalogue mktg.

■ Brands

Black consumer adv

Ad agency: Vince Cullers Advertising, Chicago. Jeffrey Cullers, mgmt super.

Hispanic adv

Ad agency: Mendoza, Dillon & Asociados, Newport Beach, Calif. Eduardo Del Rivero, exec vp-client svcs; Marta Perez Gerdes, sr vp-client svcs; Ines Tudela, acct exec.

Sears Merchandise Grp

Ad agency: Ogilvy & Mather, Chicago. Bruce Beach, mg dir; Tom Hall, pres-exec creative dir; Austin McGhie, sr vp-client svcs dir; Will Howard, Bruce Jasurda, sr vps-grp dirs; Ann Rother, Brian Kelly, Stephen Ban, Chuck Otto, vps-mgmt supers; Jeff Totaro, Gary Gilleran, vps-acct supers; Tom Carey, Jim Yardley, Tom Yorton, acct supers; Jamie Lipson, Athena Golianis, Michele Kolcon, Jim Lecinski, Bill Barsanti, acct execs.

Fine & fashion jewelry, fragrances, accessories
Ad agency: Bloom Agency, Dallas. Bob Bloom, mgmt rep; Sherri Babcock, mgmt super; Susan Simkins, acct exec.

Sales promo
Ad agency: Ogilvy & Mather Promotions, Chicago. Bill McBride, vp-deputy dir; Al Segreti, creative dir; Lenora Dutczak, acct dir.

Sears Business Centers
Ad agency: Barkley & Evergreen, Shawnee Mission, Kan. Mark Pfefferkorn, vp-mgmt super; Brian Burch, acct super.

■ Subsidiary

Western Auto Supply Co.
Kansas City, Mo.

■ Corporate personnel
John F. Barlow, pres-ceo.

■ Marketing personnel
Greg Trees, vp-retail mktg; Steve Steffens, dir-retail adv.

■ Brands
Broadcast: Western Auto Supply, Tire America stores, NTW tire stores
Ad agency: Barkley & Evergreen, Shawnee Mission, Kan. Bill Fromm, pres; Vicki Stephens, acct super.

■ Subsidiary

Allstate Insurance Group
Northbrook, Ill.

■ Corporate personnel
Wayne E. Hedien, chmn-ceo; John K. O'Loughlin, sr exec vp-corp mktg devel planning; Lawrence H. Williford, sr vp-corp relations; David B. Winn, sr vp-prod admin; John J. Flieder, vp-personal property & casualty, prod adv & agent support.

■ Marketing personnel
Terre Tuzzolino, asst vp-corp relations; Ken Zarzynski, adv dir; Cynthia Farrow-Miller, Ginny Clark, adv mgrs; Darryl Reynolds, sr mktg project mgr.

■ Brands
Allstate Insurance
Ad agency: Leo Burnett USA, Chicago. Ron Sims, sr vp-acct dir; Jim McNitt, vp-acct super; Collette Heaphy, acct super; Catherine David, David Barnes, acct execs; Maggie McQuown, acct super, Allstate/-Direct.

■ Subsidiary

Coldwell Banker Real Estate Group
Chicago

Marketing personnel
Kristine Sandrick, vp-corp comms. Coldwell Banker Residential Grp: G. Lane Barnett, first vp-dir, prod devel & mktg; Alex Perriello, vp-mktg comms & prod devl; Sherry Sprecher, dir-adv. Sears Mortgage Corp: David L. Smith, sr vp-primary mktg.

■ Brands
Coldwell Banker
Ad agency: Grey Advertising, Los Angeles. Larry Varnes, exec vp-mgmt rep; Steve Blamer, sr vp-mgmt super; John Van de Brooke, acct super; Tamara Woldorf, sr acct exec; Shelly Northrop, acct exec.

■ Subsidiary

Dean Witter Financial Services Group
New York

■ Marketing personnel
Richard F. Powers, exec vp-dir, mktg; William Walsh, vp-dir, adv; Ernest Campo, dir-adv, Discover Card Svcs.; William Hodges, sr vp-chief mktg officer, Discover Card.

■ Brands
Dean Witter brokerage-dealer
Ad agency: Leo Burnett USA, Chicago. Bill Boris, exec vp-client svcs dir; Bill Whitman, vp-acct dir; Belinda Leonard, acct super.

Discover Card Services
Ad agency: DDB Needham Worldwide, Chicago. Joel Hochberg, pres; Ray Gillett, grp acct dir; Charlie Austin mgmt rep; Diane Jones, Marta Petter, Mary Yanke, acct execs.

RANK: 54

SmithKline Beecham PLC

London
Ad spending: **$203.2** million

■ U.S. ad spending ($ in thousands)

By media	1989	1988	% chg
Magazine	4,690	10,546	(55.4)
Sunday magazine	383	346	10.8
Newspaper	190	134	41.4
Outdoor	3	232	(98.9)
Network TV	71,857	93,651	(23.3)
Spot TV	5,497	8,414	(34.7)
Syndicated TV	20,009	17,851	12.1
Cable TV networks	3,698	2,839	30.3
Network radio	1,719	3,574	(51.9)
Spot radio	660	886	(25.5)
Measured media	108,715	138,474	(21.5)
Unmeasured	94,500	120,300	(21.4)
Total	203,215	258,774	(21.5)

By top brands	1989	1988	% chg
Aqua-Fresh toothpaste	20,919	20,692	1.1
Contac cold products	16,773	14,929	12.3
Tums antacid	10,336	15,296	(32.4)
Massengill douche	10,305	9,494	8.5
Ecotrin aspirin	6,442	9,695	(33.6)
Sucrets throat lozenges	6,013	9,795	(38.6)
Vivarin stimulant tablets	5,550	4,646	19.4
Oxy medicated products	5,348	6,378	(16.2)
Sominex sleeping aid	4,465	4,977	(10.3)
Geritol	4,283	4,597	(6.8)

■ Sales & earnings ($ in millions)

Worldwide	1989	1988	% chg
Sales	5,904	5,945	(0.7)
Earnings	210	593	(64.6)

U.S.	1989	1988	% chg
Sales	3,101	2,587	19.9
Operating profits	1,192	1,043	14.3

Division sales	1989	1988	% chg
Pharmaceuticals	3,613	3,085	17.1
Consumer brands	1,964	1,798	9.2
Clinical labs	783	608	28.8
Animal health	545	453	20.3

■ Annual review

SmithKline Beecham, which cut its media expenditures 21.5% in 1989 as part of a cost-saving program following the merger of SmithKline/Beckman and Beecham Group, is funneling those lost ad dollars back into its consumer operation in 1990.

In the second quarter 1990, consumer brand sales and operating profits have risen 14% and 59%, respectively—growth the company attributes to greater spending behind such lines as Aqua-Fresh toothpaste, which grew 48% in quarterly sales.

Aqua-Fresh, the company's largest selling consumer brand, got a line extension, Extra Fresh, and a new ad campaign backing Aqua-Fresh for Kids. TV spots in the campaign feature a comic book hero stressing "Super Protection. Super Taste." Aqua-Fresh has a 12% share of the $1.2 billion dentifrice category behind Crest's 36%.

Oxy anti-acne products was the OTC medicine leading the second quarter growth with a 31% increase in sales resulting from a new ad campaign and the introduction of Oxy Night Watch and Oxy Pads for Sensitive Skin. Oxy owns a 24% share of the $180 million acne medicines market, ahead of Clearasil's 18%.

During 1989, Contac was about the only major SB consumer brand to show an increase in media expenditures, up 8.4% to $16.8 million. The account also was reassigned to Grey Advertising from BBDO. The product is No. 4 with a 9% share of the $815 million cold remedies category. Nyquil is category leader at 12%. Contac's comparative ad campaign themed, "Until there's a cure, there's Contac," continued into 1990.

Tums, whose media expenditures dropped 34.4% in 1989 to $10.3 million, has received greater backing in the first and second quarters of 1990, according to the company. It also got cherry-flavored and extra-strength peppermint line extensions to support its current 33% share of the $890 million antacid market.

N'ICE throat lozenges, which this year debuted a Vitamin C extension, and Sucrets, which has added a wild cherry flavor, also are drawing greater media support this year. The two hold almost 50% of the throat lozenge market. In 1989, spending for Sucrets plunged 33% to $6.2 million as spending trickled to a stop for Sucrets Maximum Strength Spray. The spray had received $6.2 million in 1988 when rival Procter & Gamble's Chloraseptic spending was boosted, but more recently SmithKline has decided to concentrate on core product advertising. N'ICE drew $4 million in media, down 3% in 1989.

Massengill, the No. 1 feminine douche with a 52% share of the disposable douche market, was backed by $10.9 million in media in 1989, down 23%. Spending virtually was discontinued for Massengill soft cloth towelette, which got $4.1 million in 1988, and Massengill medicated douche. The company added baking soda and unscented douche line extensions and is expected to continue target marketing to blacks and Hispanics, for instance.

With the merger, which produced the third largest pharmaceutical company in the world and fifth largest OTC company outside the U.S., consumer products have become much less a factor in the overall growth of the company. SmithKline's consumer product operations also have been scaled down.

To reduce its debt load, SmithKline disposed of 32 U.S. specialty products for $52 million to Menley & James, sold the U.K.-based Yardley-Lentheric cosmetics business to Wasserstein Perella Partners and reached an agreement to sell Margaret Astor and Lancaster cosmetics for $358 million. SmithKline also sold to Benckiser Consumer Products its Cling Free fabric softener, Calgon bath products, No Salt and Fruit Fresh.

While analysts view the company as pharmaceutical driven, it is one desperately in need of new products. Growth in new products, in fact, is the directive issued by Jan Leschly shortly after he was appointed chairman of the pharmaceuticals division last June.

■ Headquarters

SmithKline Beecham
SB House
Brentford, Middlesex, TW8 9BD
England

SmithKline Beecham
One Franklin Plaza
Philadelphia, Pa. 19101
(215) 751-4000

■ Corporate personnel
Henry Wendt, chmn; Robert Bauman, ceo.

■ Division

SmithKline Beecham Pharmaceuticals

■ Corporate personnel
Fred W. Kyle, pres-worldwide; Jean-Pierre Garnier, pres-US.

■ Marketing personnel
Angeris N. Karabelas, Ph.D., vp-mktg.

■ Brands
Tagamet, Compazine, Engerix-B
Ad agency: Salthouse Torre Norton, Rutherford, N.J. Barbara Falco, Howard Laskau, vps-acct supers.

Eminase, Bactroban, Augmentin, Timentin
Ad agency: Frank J. Corbett Inc., Chicago. Patrick McTeague, vp.

Amoxil
Ad agency: Trunk, McCaffrey, Montclair, N.J. Paul Trunk, pres.

Ancef, Tazicef
Ad agency: Ted Thomas Associates, Philadelphia. Don Phillips, sr vp.

■ Division

SmithKline Beecham Consumer Brands U.S.
Pittsburgh, Pa.

■ Marketing personnel
Gordon J. McLaren, sr vp-dir, mktg; Douglas B. Cox, vp-dir, personal care; Paul J. Fraioli, vp-dir, health care; Maurice L. Kelley, vp-dir, mktg svcs; Warren C. Siddall, dir-media.

■ Brands
Aqua-Fresh, Aqua Velva, Contac, Geritol, Massengill, Sucrets, Vivarin
Ad agency: Grey Advertising, New York. Robert Burruss, exec vp; Richard Krain, vp-grp mgmt super; Matt DeSimone, vp-mgmt super, Aqua-Fresh; Ken Brown, vp-mgmt super, Contac & Massengill; Allison Bailey, vp-mgmt super, Geritol, Vivarin & Sucrets.

Lectric Shave, N'ICE, Sominex
Ad agency: Ogilvy & Mather, New York. Neve Savage, sr vp-grp dir; Nancy Boyd, sr vp-acct dir.

Ecotrin, Orafix, Oxy, Tums
Ad agency: Jordan, McGrath, Case & Taylor, New York. Stephen Badenhop, exec vp; Ellen Fields, vp-mgmt super, Tums; Kathryn Ryan, vp-mgmt super, Oxy & Orafix.

A-200, Esoterica, Nature's Remedy
Ad agency: Carrafiello Diehl & Associates, Irvington, N.Y. Theodore N. Williams, exec vp-coo; Robert Brandt, exec vp-mgmt super; Jerry Carrafiello, acct exec.

Feosol
Ad agency: Lavey/Wolff/Swift, New York. Eric Malter, acct exec.

RANK: 31

Sony Corp.

Tokyo
Ad spending: **$356.5** million

■ U.S. ad spending ($ in thousands)

By media	1989	1988	% chg
Magazine	51,670	42,126	22.7
Sunday magazine	20,952	18,436	13.3
Newspaper	30,150	27,781	8.5

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By media	1989	1988	% chg
Outdoor	140	46	204.8
Network TV	51,901	42,448	22.3
Spot TV	39,445	25,149	56.8
Syndicated TV	4,487	1,373	226.9
Cable TV networks	5,757	3,549	62.2
Network radio	615	1,384	(55.6)
Spot radio	8,498	2,704	214.3
Measured media	213,615	165,046	29.4
Unmeasured	142,900	110,400	29.4
Total	356,515	275,446	29.4

By top brands	1989	1988	% chg
Columbia Pictures motion pictures	77,745	70,681	10.0
Tri Star Pictures	34,161	9,430	262.3
Columbia record & tape clubs	23,810	21,033	13.2
CBS video supplies & equipment	21,449	16,875	27.1
Sony video equipment & accessories	19,694	12,782	54.1
CBS video clubs	15,637	12,495	25.1
Sony audio equipment	2,854	5,980	(52.3)
Columbia Pictures home videos	1,484	2,001	(25.8)
Sony video cassette tapes	1,387	409	239.4
Sony cameras & accessories	1,135	0	NA

■ Sales & earnings ($ in millions)

Worldwide	1990	1989	% chg
Sales	18,343	16,262	12.8
Earnings	655	549	19.2

U.S.	1990	1989	% chg
Sales	5,466	4,439	23.1

Division sales	1990	1989	% chg
Video equipment	4,732	4,345	8.9
Audio equipment	4,604	4,248	8.4
Televisions	2,843	2,589	9.8
Other products	2,678	2,493	7.4
Records	2,898	2,577	12.5
Movies	587	NA	NA

■ Notes: Fiscal year ended March 30, 1990. Sales and earnings figures are converted at the rate of 0.00637 and 0.00758 dollars to the yen in 1990 and 1989, respectively.

■ Annual review

Sony Corp.'s foray into movie making turned into the blockbuster purchase of Columbia Pictures Entertainment last November. The move could challenge the VHS dominance and speed the acceptance of Sony's new 8mm video format.

Sony through Columbia now has access to a movie video source—something it lacked when its Beta videocassette format failed to catch on years ago. Sony had even begun to produce its own films.

The purchase and concessions to Warner Bros. stemming from Sony's hiring of Jon Peters and Peter Guber to head the movie company will eventually mean that the Columbia House record club division of CBS Records—one of the old Sony's biggest U.S. advertising arms—will be spun off with Sony and Time Warner each owning half. Sony advertising totals for 1989 include spending for Columbia House and Columbia Pictures.

Sony's move to buy Guber-Peters Entertainment Co. and install its principals as co-chairmen of Columbia led to other top management changes that, almost a year after the acquisition, still have the movie company regrouping to fill the pipeline with marketable movies.

Former Columbia Pictures President Dawn Steel left soon after Sony bought the studio. Her successor, Frank Price (who holds the title of chairman), and Mr. Peters quickly dumped most of the projects in development.

Columbia Pictures, which early in 1989 moved to streamline its operations by creating a single Motion Picture Group from the merger of its Columbia and Tri-Star units, finished last year as the No. 3 studio in box-office market share. Media-buying also was consolidated in December for the two film banners at McCann-Erickson, Los Angeles, Columbia's agency. AC&R, Los Angeles, the Tri-Star agency, was dropped.

Columbia/Tri-Star boosted its 1989 combined market share to 16.0% (down from 17.3%) of the record $5 billion taken in at U.S. and Canadian box offices, largely on the strength of six films: Columbia's "Ghostbusters II," "When Harry Met Sally," and "The Karate Kid Part III," and Tri-Star's "Steel Magnolias," "Look Who's Talking" and "See No Evil, Hear No Evil."

Columbia/Tri-Star released 42 films in 1989, 11 less than in 1988. For the first seven months of 1990, Columbia/Tri-Star dropped to No. 5 in box office market share, with a combined 12.2%, though Tri-Star's "Total Recall" was one of the summer's biggest hits.

The studio increased ad support of its films in 1989, boosting its measured spending 32.6% to $113.4 million.

Buoyed in part by sales of New Kids on the Block, CBS Records saw its chart share for popular albums rise to 18.2% for the first half of this year, up from 16.4% for all of 1989, according to *Billboard* magazine. Its chart share of black albums rose to 14.9% from 13.8% for all of 1989, and its share of country rose to 24.1% from 20.9% posted for 1989.

Virtually all of CBS Records' nearly $63 million in media spending came from Columbia House, which runs ads for various record, tape, compact disc and video clubs in magazines and Sunday magazines. Early this month, CBS Records CEO Walter Yetnikoff suddenly stepped down. Sony has not named a successor.

The Sony brand of Sony Corp. of America, Sony's consumer electronics arm, was No. 1 in camcorder unit sales with a 15% market share, up from 12.2%, according to *Television Digest*, though other companies with several brands actually sold more. The Sony brand was No. 4 in TV sales with 6.5% of the market, up from 6.4%. Only in VCRs where Sony ranked 15th with a 2.3% share (up from 2.0%) did Sony have less success.

This year also has been a transitional one for Sony's advertising. Within its ad department, it created separate divisions for corporate and product advertising. The company is expected to launch its first corporate ad campaign shortly.

Longtime agency McCann-Erickson, New York, finally threw in the towel after experiencing continued cutbacks in its billings. The main beneficiary was Slater Hanft Martin, New York.

Added to the pool of advertised products was the introduction this June of Digital Audio Tape recorders. Advertising started immediately, though at modest levels.

Advertising for the My First Sony line was scaled back, while advertising for Sony Magnetic Products, the company's audio and videotapes, will rise to $14 million from $1 million. Sony also boosted spending 15% for its Trinitron TVs, camcorders and VCRs.

■ Headquarters

Sony Corp.
7-35 Kitashinagawa 6-chrome
Shinagawa-ku, Tokyo, 141,
Japan
Sony USA Corp.
9 W. 57th St.
New York, N.Y. 10019
(212) 371-5800

■ Division

Columbia Pictures Entertainment

■ Marketing personnel

Buffy Shutt, pres-mktg; Kathy Jones, exec vp-mktg; Eddie Egan, sr vp-mktg; John Butkovich, Mark Kristol, sr vps-media; Ed Russell, sr vp-publicity, promo & field operations; Bill Loper, sr vp-adv; Joe Foley, sr vp-creative adv.

■ Brands

Columbia Pictures, Tri-Star Pictures

Ad agency: McCann-Erickson, Los Angeles. Jim Surmanek, sr vp-exec media dir.

■ Division

CBS Records

■ Marketing personnel

Paul Smith, pres-CBS Records distribution; Tom McGuinness, sr vp-mktg, CBS Records distribution; Danny Yarbrough, sr vp-sales; Craig Applequist, vp-sales; Rich Kudolla, vp-sales, Columbia; Peter Anderson, vp-sales, Epic.

■ Brands

Epic, Columbia, CBS Masterworks

Ad agency: (In-house). Yvonne Erickson, dir-media adv; Arnold Levine, sr vp-creative svcs; Carol Lee Shepard, vp-adv.

■ Division

Columbia House

■ Marketing personnel

Richard Walter, pres-Columbia record, tapes & compact disc clubs; Sharon Kuroki, vp-mktg, music club; Richard Capassela, vp-adv, video club; Brian Wood, vp-video club; Harry Elias, vp-CBS video library; Linda Andersen, vp-music club adv.

■ Brands

CBS Compact Disc Club, CBS Video Club, Columbia Music Club, Columbia Music Collection, Columbia Record & Tapes

Ad agency: Wunderman Worldwide, New York. Peter Rabar, mg super-grp dir; Marie Claire Hepp, acct super; Adrienne Wax, CBS video libraries; Grace Fallon, acct super-video libraries.

■ Division

Sony Corp. of America
Park Ridge, N.J.

■ Marketing personnel

Jeff Brooks, sr vp-corp adv & promo; Carolyn Stables, mgr-corp adv & promo; Larry Barruch, vp-mktg comms, consumer prods; Lisa Diliberto, adv mgr-display prods; Ron Greitzer, adv mgr-video prods; Charles Grable, natl adv mgr-audio prods; Mario Giampaglia, adv mgr-audio prods; Janice Breithaupt, adv mgr-personal audio prods; Louise Nardone, adv specialist-business & professional prods; Scott Westover, adv dir-professional prods; Bob Basso, dir adv-magnetic prods.

Broadcast professional products

Ad agency: Geer, DuBois, New York. Steve Farricker, sr vp-mgmt super; Steve Myhre, acct exec.

Display products, video products, general audio, Hi-Fi products, business & professional products, business to business

Ad agency: Slater Hanft Martin, New York. Allan Cohen, sr vp-mgmt super, audio & display; Seymour Miles, sr vp-mgmt super, video prods; Gina Forte, sr vp-mgmt super, corp; Linda Christian, sr vp-mgmt super, business to business; Michael Cohen, acct super-display prods; Bill Agee, acct super-video prods; Kevin Scully, acct super-audio.

Sony magnetic products, CaddyCam, Movies, My First Sony

Ad agency: Burkhardt & Christy, New York. Ron Burkhardt, creative dir; Judy Christy, creative partner; Joel Fineman, sr vp-acct dir; David Kessler, vp-mgmt super.

RANK: 69

Subaru of America

Cherry Hill, N.J.
Ad spending: **$159.5** million

■ U.S. ad spending ($ in thousands)

By media	1989	1988	% chg
Magazine	15,420	13,787	11.8
Sunday magazine	0	12	NA
Newspaper	1,468	1,501	(2.2)
Outdoor	1,079	1	NA
Network TV	73,698	39,545	86.4
Spot TV	13,530	17,438	(22.4)
Syndicated TV	1,307	684	91.1
Cable TV networks	1,644	1,222	34.5
Network radio	2,616	0	NA
Spot radio	2,102	2,267	(7.3)
Measured media	112,863	76,456	47.6
Unmeasured	46,600	31,600	47.5
Total	159,463	108,056	47.6

By top brands	1989	1988	% chg
Subaru cars	110,488	74,189	48.9

■ Sales & earnings ($ in millions)

Worldwide	1989	1988	% chg
Sales	1,718	1,695	1.4
Earnings	(42)	(58)	NA

■ Notes: Fiscal year ended Oct. 31, 1989.

■ Annual review

With its buyout of Subaru of America, Fuji Heavy Industries, the Japanese maker of Subaru vehicles, becomes a fully committed player in the U.S. market.

Fuji agreed in May to buy the half of Subaru it didn't already own. The buyout, effective Sept. 30, follows two years of heavy losses by Subaru, which had cut back on advertising during the 1990 acquisition proceedings. Under the terms of the agreement, Fuji (which had shared responsibility for new product development) gets full control over the marketing and distribution as well as manufacturing.

In the past, Fuji had forced Subaru to accept too many cars, according to Subaru officials, which required the U.S. marketer to offer deep discounts. Subaru said it spent $100 million a year in cash rebates to customers in 1987 and 1988. That compares with a $60 million budget for rebates and advertising combined in its peak sales year of 1986.

The former darling of Wall Street, however, suffered other problems. Fortunes turned with the weakening of the U.S. dollar against the Japanese yen, from an aging product line and from intensified competition in the four-wheel-drive segment, a niche Subaru had carved for itself.

Subaru sales in 1989 totaled 136,111 units, compared with 155,944 in 1988, which meant a drop in market share from 1.47% in 1988 to 1.38% in 1989. In peak year 1986, Subaru sales were 179,100.

The company is even farther off the pace in 1990, with first half sales totaling 31,352. It insists sales will reach 100,000 to 105,000 for the full year.

Subaru's biggest-selling model was the Legacy, introduced in 1989. The cars are built at a Fuji-Isuzu assembly plant in Lafayette, Ind. Subaru launched a major ad campaign, "Subaru Summer Blockbusters," to support the car with TV spots feature movie critic Gene Shalit in a theater where the Legacy is showing. Legacy was backed with $57.8 million, some 70% of it in network TV with spot TV and magazines sharing the rest. Legacy sales in 1989 were 32,762, more than any other make in the Subaru lineup.

■ Headquarters

Subaru of America
Subaru Plaza, P.O. Box 6000
Cherry Hill, N.J. 08034-6000
(609) 488-8500

■ Corporate personnel

Harvey Lamm, chmn-ceo; Tom Gibson, pres-coo; Masaharu Masumitsu, vice chmn; Marvin Riesenbach, exec vp-cfo.

■ Marketing personnel:

Chris Wackman, vp-mktg; Ron Shangle, adv-merch dir; Fred Heiler, pr dir.

■ Brands

Subaru cars

Ad agency: Levine, Huntley, Schmidt, & Beaver, New York. Terry Bonaccolta, exec vp-mgmt dir; Michael Elkisch, sr vp-mgmt super; Jerry Noonan, Aaron Belson, vps-acct supers; Cheri Deutch, acct exec; Jeffrey Petrie, acct super; Terrence Rooney, asst acct exec.

RANK: 46

Tandy Corp.

Fort Worth, Texas
Ad spending: **$232.7** million

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U.S. ad spending ($ in thousands)

By media	1989	1988	% chg
Magazine	11,180	9,113	22.7
Sunday magazine	141	163	(13.4)
Newspaper	37,472	34,353	9.1
Outdoor	18	138	(86.8)
Network TV	25,065	32,432	(22.7)
Spot TV	3,341	2,509	33.1
Syndicated TV	1,563	118	NA
Cable TV networks	1,265	1,426	(11.3)
Network radio	5,632	4,738	18.9
Spot radio	480	1,484	(67.6)
Measured media	86,159	86,473	(0.4)
Unmeasured	146,500	147,000	(0.3)
Total	232,659	233,473	(0.3)
By top brands	**1989**	**1988**	**% chg**
Radio Shack electronics store	51,524	44,557	15.6
Tandy computers	16,701	27,913	(40.2)
McDuff appliance stores	7,037	6,047	16.4
Tandy software	4,559	59	NA
Memorex recording tapes	3,290	1,474	123.2

Sales & earnings ($ in millions)

Worldwide	1989	1988	% chg
Sales	4,500	4,181	7.6
Earnings	290	324	(10.2)

Notes: Fiscal year ended June 30, 1990

Annual review

Tandy Corp. is combating sluggishness in consumer electronics especially in low-end personal computers, with new products and with advertising that emphasizes quality, value and the diversity of its product lines.

Tandy Corp.'s Radio Shack division, which is responsible for 70% of the company's sales, also is out to zap its image as a retailer of cheap electronics.

In March, the nation's largest consumer electronics retailer introduced new advertising positioning itself as "America's Technology Store." Tandy continues to spiff up its 7,000 Radio Shack stores, giving them a high-tech look. The remodeling should be complete by 1992.

Radio Shack is Tandy's spending leader at $53.3 million in measured media in 1989, up 13.6%, with about half the spending in newspapers and the remainder weighted toward network TV and network radio.

Radio Shack wants to be known as the place to get the latest in technology—from stereos, VCRs and camcorders to cellular telephones, fax machines and personal computers. Advertising also highlights the fact that Tandy/Radio Shack is not only the retailer, but the manufacturer. Tandy also sells computers through alternate distribution channels, such as American Express direct mail and Wal-Mart stores.

Tandy/Radio Shack has teamed up with Britannica Software to market a computerized encyclopaedia to the education and library markets. A notepad computer that recognizes handwriting has been introduced by Tandy's GRiD Systems Corp. subsidiary. Also, the company is working on developing an erasable compact disc.

Tandy in late July introduced the Tandy 1000 RL, a low-priced, easy-to-use personal computer designed for novices to use in the home—a market of high growth potential. Tandy spent $13.6 million on the 1000 system in 1989, down 20%.

However, the company will face tough competition. IBM Corp. and Apple Computer, among others, are introducing similar low-cost products. IBM leads the personal computer market with a 16.4% share, followed by Apple, 10.4%, and then Tandy, 5.3%, according to International Data Corp.

Tandy's share does not include its computers marketed under the Digital Equipment Corp. and Matsushita Electric's Panasonic division labels.

Tandy's Memtek Product division, known for its Memorex audio and video tapes, plans to aggressively expand its Memorex brand to include portable stereo/cassette players, personal stereos, stereo systems and CD players under the Memorex name—all to be introduced June 1991. Its new agency, Richards Group, Dallas, plans to retain the tag line: "Is it live, or is it Memorex?" Memorex spent $3.6 million in media advertising in 1989, down 25%.

Headquarters

Tandy Corp./Radio Shack
1800 One Tandy Center
Fort Worth, Texas
(817) 390-3700

Corporate personnel

John Roach, chmn-ceo, Tandy Corp.; Bernard Appel, pres-Radio Shack; Robert McClure, pres-Tandy Electronics; Alan Lefkof, ceo-GRiD Systems Corp.; David Christopher, pres-A&A Trading Co.; Victor Sholis, pres-Tandy Name Brand Retail Grp.; Daniel O'Sullivan, pres-O'Sullivan Industries Inc.

Marketing personnel

David Beckerman, sr vp-mktg svcs; Mike Wood, vp-adv; James Nichols, sr vp-consumer retail operations, Radio Shack; John Patterson, sr vp-Tandy Computers; Robert Miller, vp-consumer merch; Howard Elias, vp-computer merch; Bruce Walter, sr vp-sales & mktg, GRiD.

Brands

Tandy Corp./Radio Shack

Ad agency: Radio Shack Advertising Department (in-house), Fort Worth, Texas. Mike Wood, vp-adv; Linda Yarborough, media dir.

GRiD Systems Corp.

Ad agency: Uhlan-Wright, Mountain View, Calif. Joe Uhlan, pres.

Tandy Name Brand Retail Grp

Ad agency: Tandy Name Brand Retail Group Advertising Department (in-house), Fort Worth, Tex. Ed Luedtke, adv, media & business mgr.

Memtek Products

Ad agency: Richards Group, Dallas. Rod Underhill, principal.

RANK: 17

Time Warner

New York

Ad spending: **$567.5** million

U.S. ad spending ($ in thousands)

By media	1989	1988	% chg
Magazine	59,468	65,574	(9.3)
Sunday magazine	3,469	2,040	70.1
Newspaper	42,393	45,053	(5.9)
Outdoor	958	850	12.7
Network TV	47,025	34,900	34.7
Spot TV	86,665	80,335	7.9
Syndicated TV	13,179	4,207	213.2
Cable TV networks	35,477	24,404	45.4
Network radio	2,523	2,178	15.8
Spot radio	9,585	8,398	14.1
Measured media	300,740	267,939	12.2
Unmeasured	266,800	237,700	12.2
Total	567,540	505,639	12.2
By top brands	**1989**	**1988**	**% chg**
Warner Bros. pictures	94,436	76,978	22.7
Home Box Office	36,108	24,051	50.1
Time-Life books	32,068	41,437	(22.6)
Sports Illustrated magazine	21,500	18,610	15.5
Spiffits cleansing towels	19,272	0	NA
Time-Life records & tapes	18,383	16,420	12.0
Time-Life videocassettes	13,634	7,468	82.6
People magazine	12,540	13,624	(8.0)
Warner home video	8,148	5,492	48.4
Book-of-the-Month Club	7,092	5,014	41.5

Sales & earnings ($ in millions)

Worldwide	1989	1988	% chg
Sales	10,779	9,103	18.4
Earnings	(987)	(1,137)	NA
U.S.	**1989**	**1988**	**% chg**
Sales	8,260	7,222	14.4
Operating income	677	295	129.5
Division sales	**1989**	**1988**	**% chg**
Magazines	1,855	1,752	5.9
Filmed entertainment	2,760	2,096	31.7
Recorded music, music publishing	2,545	2,040	24.8
Cable TV	1,543	1,268	21.7
Programming-HBO	1,177	1,122	4.9
Books	1,148	1,030	11.5

Notes: Sales, earnings and ad figures are pro forma for 1989 and 1988

Annual review

Despite the $10.8 billion in long-term debt taken on with the merger of Time Inc. and Warner Communications, and an extraordinarily soft magazine advertising marketplace, the communications giant continued to expand through launches, acquisitions and leveraging its related operations.

Time Warner Enterprises, a strategic-development division headed by MTV co-creator Robert Pittman, was formed in March to focus on "opportunities that may have been overlooked" companywide. For starters, Mr. Pittman is developing a "legal" cable channel and looking for ways to merchandise Warner's "Loony Tunes" characters in such areas as the Six Flags theme parks, in which Time Warner owns a 19.5% stake.

Time Warner Sports was formed this July to increase the company's presence in sports and bring its sports-related businesses—including *Sports Illustrated*, HBO Sports, HBO Video and Licensing Corporation of America—under one umbrella.

Time Warner also created Time Publishing Ventures, including the Time Inc. Magazine Co.'s special interest businesses and worldwide development activity. The new division this November will test a magazine with home entertaining aficionado Martha Stewart. If successful, the venture could spawn a line of books, videos and even a TV series.

Ad revenues of Time Warner's weeklies combined led all magazine publishers in 1989. But the magazines were among the hardest hit by an ad drought which left consumer titles tracked by Publisher's Information Bureau down 3.3% in ad pages in the first half of 1990. *Time*, *People* and *Sports Illustrated* posted ad page declines of 7.5%, 9.7% and 16.5%, respectively, in the first half.

Time Warner's much-ballyhooed *Entertainment Weekly*—its most significant launch since the ill-fated *TV-Cable Week* in 1983—got off to a rocky start in February. One redesign and one managing editor later, the fledgling title appears to be gaining acceptance.

The magazine operation acquired *Sunset* parent Lane Publishing and the remaining interest in *Parenting*. *Southpoint*, part of its Southern Progress Corp., suspended publication in June, citing a "difficult magazine environment." Time Warner's magazine group launched TargetSelect in late 1989, a selective binding and ink-jet printing program for advertisers.

Last August the company backed out of a joint venture with the Hachette/Filipacchi Group to publish a French version of *Fortune*. A Spanish edition also was put on hold.

On the strength of the success of "Batman," "Lethal Weapon 2" and "Driving Miss Daisy," Warner Bros. had a blockbuster 1989, leading all studios with a 17.4% share of the domestic film market. Warner Bros. was also No. 1 in film rentals in 1989 with a 19% market share. Summer 1990 looked bright as well thanks to such films as "Presumed Innocent," based on Scott Turow's best-selling novel.

Warner Bros. spent $94 million on movies in 1989, mostly in newspaper, network and spot TV. The studio backed six films with more than $5 million each, led by "Batman" with $10 million, according to LNA/Arbitron.

The Home Box Office division took control of the basic cable channel Movietime in August 1989, relaunching it earlier this year as E! Entertainment Television. In November 1989, HBO launched the Comedy Channel, an ad-supported basic cable network which competes with MTV Networks' Ha! Both received lukewarm receptions from cable system operators and advertisers.

HBO unveiled a 15-month $49 million consumer ad campaign—the largest undertaken by a cable network—in October 1989 themed "Nobody brings it home like HBO." The effort was created by BBDO Worldwide, New York. HBO spent $37 million in media in calendar 1989, up 66%.

Time Warner's book publishing unit turned its attention to the youth market, announcing it would launch a Children's Book of the Month Club and a line of *Sports Illustrated for Kids* books in 1990. Media spending by Time-Life Books rose 7.9% to $28.6 million, while spending on Book of the Month Clubs in general rose 52% to $7.6 million.

Headquarters

Time Warner
75 Rockefeller Plaza
New York, N.Y. 10019
(212) 484-8000

Corporate personnel

Steven J. Ross, co-ceo, chmn; Nicholas J. Nicholas, co-ceo, pres.

Division

Time Inc. Magazine Co.
New York

Corporate personnel

Reginald K. Brack Jr., chmn-pres-ceo; Michael J. Klingensmith, *Entertainment Weekly* publisher; James B. Hayes, *Fortune* publisher; Katherine M. Bonniwell, *Life* publisher; William S. Myers, *Money* publisher; Elizabeth P. Valk, *People* publisher; Donald J. Barr, *Sports Illustrated* publisher; Ann S. Moore, *Sports Illustrated for Kids* publisher; Robert L. Miller, *Time* worldwide publisher; Louis A. Weil III, *Time* US publisher.

Marketing personnel

Entertainment Weekly: Jack Haire, adv sales dir; Scott Kauffman, mktg-promo dir; Michael R. Loeb, consumer mktg dir. *Fortune*: John E. Jay, U.S. adv sales dir; David L. Nimz, promo dir; Kenneth H. Godshall, consumer mktg dir. *Life*: William P. Kupper Jr., adv sales dir; Ripley S. Odell, promo dir; Linda D. Warren, consumer mktg dir. *Money*: Betsy Martin, adv sales dir; Michael Rich, promo dir; Linda McCutcheron, mktg dir; Michel Jaworski, consumer mktg dir. *People*: David L. Long, adv sales dir; Michael Pep, gm; Jeremy B. Koch, consumer mktg dir. *Sports Illustrated*: Thomas J. Hickey Jr., adv sales dir; Alvaro J. Saralegui, mktg & sales devel dir; Michael Owen, consumer mktg dir. *Sports Illustrated for Kids*: Jeffrey Crennan, natl adv mgr; Susan Alexander, mktg dir; Lee Wilcox, sales devel dir; Katherine P. Salovaara Brower, consumer mktg dir. *Time*: Richard Heinemann, assoc publisher-adv sales dir; Ellen J. Fairbanks, consumer mktg dir; Cleary S. Simpson, mktg svcs dir.

Brands

Entertainment Weekly adv promo

Ad agency: Deutsch, New York. David Deutsch, chmn.

Fortune adv promo, Sports Illustrated adv promo, Sports Illustrated for Kids adv promo

Ad agency: Ogilvy & Mather, New York. Betsy Lembeck, vp-acct dir, *Fortune*; Jim Echikson, acct super-*Sports Illustrated & Sports Illustrated for Kids*.

Life adv promo

Ad agency: Messner Vetere Berger Carey Schmetterer, New York. Ron Berger, acct super.

Money adv promo

Ad agency: Mullen Advertising, Wenham, Mass. James X. Mullen, pres.

People adv promo

Ad agency: Young & Rubicam, New York.

People circulation promo

Ad agency: Holland & Callaway Advertising, New York. Ron Holland, chmn.

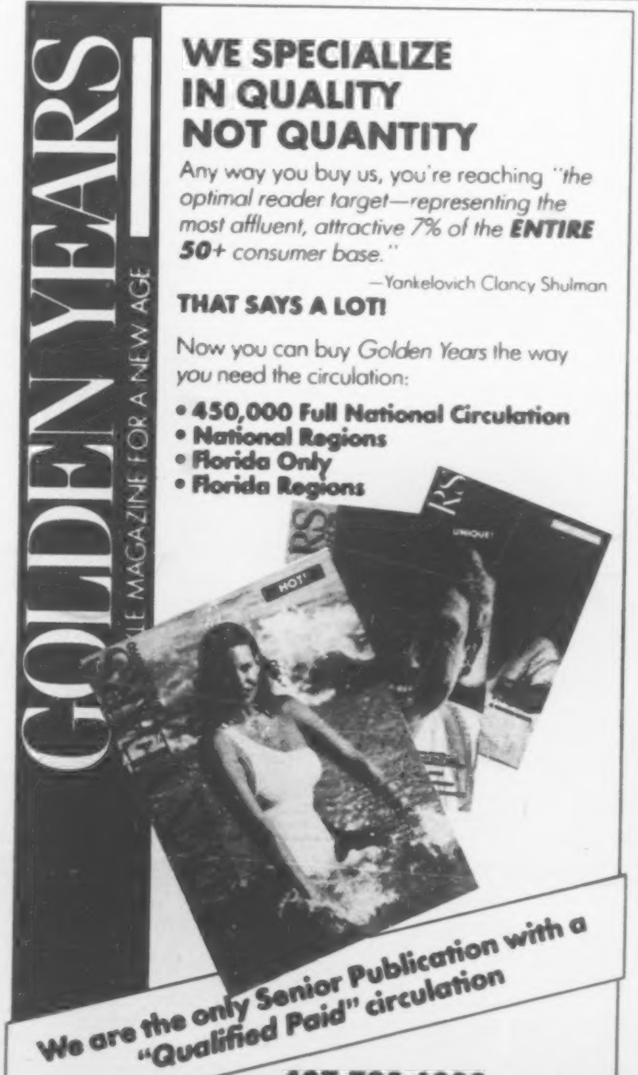
Sports Illustrated circulation promo

Ad agency: Wunderman Worldwide, New York. Bob O'Keefe, acct super.

Ad agency: A. Eicoff & Co., Chicago. Francie Barson, exec dir-media.

Time adv & circulation promo

Ad agency: Lois/GGK, New York. George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CONTINUING MARKET STUDY

Lois, chmn-ceo.

Circulation promo: Fortune, Sports Illustrated for Kids

Ad agency: (In-house) Catherine Heim, creative dir-magazine circulation dept, *Fortune*; Anil Singh, creative dir-magazine circulation dept, *SI for Kids*.

Division

Sunset Publishing Corp
Menlo Park, Calif

Corporate personnel

S. Christopher Meigher III, chmn-ceo, John F. Henning Jr., pres

Marketing personnel

Ronald C. Walker, vp-gm, James W. Baker, vp-adv sales dir, *Sunset*

Brands

Sunset adv promo

Ad agency: Saatchi & Saatchi Advertising, San Francisco. David Hill, sr vp

Division

Filmed entertainment
Warner Bros
Burbank, Calif

Corporate personnel

Robert A. Daly, chmn-ceo

Marketing personnel

Robert G. Friedman, pres-worldwide theatrical adv & publicity

Brands

Warner Bros. films

Ad agency: Grey Advertising, New York. Alec Gerster, exec vp-media & programming svcs.

Division

Programming & Cable
Time Warner Cable Group
Stamford, Conn

Corporate personnel

Joseph J. Collins, chmn-ceo; Joseph J. Collins, chmn-ceo, American Television and Comms Corp.; James L. Gray, pres-ceo, Warner Cable Comms.

Marketing personnel

Tim Evard, vp-mktg, American Television and Comms. Corp.; Kevin Leddy, sr vp-mktg, Warner Cable Comms.

Brands

ATC Corp.

Ad agency: (In-house) James Duffy, dir-pr

Division

Home Box Office
New York

Corporate personnel

Michael J. Fuchs, chmn-ceo

Marketing personnel

John K. Billock, exec vp-mktg, Dan Levinson, vp-adv & promo; Steve Janas, vp-dir, adv.

Brands

HBO

Ad agency: BBDO, New York. Ken Angel, sr vp-mgmt rep

Cinemax

Ad agency: Kobs & Draft Advertising, New York. Howard Draft, pres.

RANK: 25

Toyota Motor Corp.

Toyota City, Japan
Ad spending: **$417.6** million

U.S. ad spending ($ in thousands)

By media	1989	1988	% chg
Magazine	53,207	36,476	45.9
Sunday magazine	712	857	(16.9)
Newspaper	6,460	4,909	31.6
Outdoor	572	822	(30.4)
Network TV	110,847	64,193	72.7
Spot TV	91,032	68,582	32.7
Syndicated TV	8,616	5,945	44.9
Cable TV networks	3,505	2,750	27.5
Network radio	2,196	1	NA
Spot radio	15,200	6,554	131.9
Measured media	292,346	191,088	53.0
Unmeasured	125,300	81,900	53.0
Total	417,646	272,988	53.0

By top brands	1989	1988	% chg
Toyota cars	163,239	129,713	25.8
Toyota trucks & vans	62,969	49,673	26.8
Lexus cars	46,025	0	NA
Toyota auto parts	3,873	3,988	(2.9)

Sales & earnings ($ in millions)

Worldwide	1990	1989	% chg
Sales	60,084	54,254	10.7
Earnings	2,884	2,338	23.4

Notes: Fiscal year ended June 30, 1990.

Annual review

Toyota Motor Sales USA, a subsidiary of Toyota Motor Corp., Japan, maintained its position as the leading car-truck importer in the U.S. in 1989 as it blanketed the market with 53% more ad dollars, much of that in the Lexus launch.

Further ad budget growth of 25% is expected for 1990 to back the redesigned Celica and midyear introductions for the Land Cruiser, MR2 and van, among others. Toyota got back into the minivan market with the February 1990 debut of the Previa, which held potential for sales of 40,000 units this year.

The company registered car-truck sales of 945,353 units in calendar 1989, up 1% over a year earlier, for a 6.5% share of the total U.S. car-truck market. The total included 212,388 U.S.-built Camrys (257,466 in all) and 221,694 light trucks. Toyota led importers with a 4.7% share, down from 5.1%.

The luxury model Lexus had sales of 16,302 for the year in only four months on the market. By July 1990, Lexus (including the LS 400 V-8 priced at $36,000 and the ES 250 V-6 at $21,050) had sold 5,049 units against 1,789 for Nissan's Infiniti, which also hit the U.S. market last fall. Lexus broke its ad campaign in August 1989. Intro ads for Infiniti came three months later. Rival Acura from American Honda, which had several years' head start, had sold 13,617 units, down 3.2% at the mid-year mark.

But falling short of original projections, Toyota reduced its U.S. sales target for Lexus in 1990 by 20% to 60,000.

The $60 million national ad launch last year for Lexus got a $20 million-plus infusion in spot TV and print support this spring in 60 markets. All the ads are tagged "Pursuing perfection," a derivative of the national slogan, "The relentless pursuit of perfection."

While the national campaign for Lexus built awareness for the flagship LS 400 model, the large part of regional effort focused on the lower-cost ES 250, its sporty sister, that "for $21,050, you not only get all these items, but this handsome carrying case as well," says the voiceover in TV spots.

With the exception of outdoor and Sunday supplements, media expenditures rose across the board, according to LNA/-Arbitron. The top-selling Camry ($11,588 for the Camry 4) pulled $53.5 million in measured spending, up 42.9%.

Celica, priced at $12,268 for the ST4 model, drew $25 million in media, up 57.2%. Corolla, Toyota's second best seller, got $21 million, the same as the prior year. Most of the spending for all brands went to spot and network TV, supported by heavy dosages of national magazines and enthusiast publications.

Media spending for Toyota's redesigned line of light trucks was $47 million, down 17.5%. The SR5 V-6 pickup accounted for $20 million of that.

Toyota opened the 1990 marketing year prepared to boost ad spending by 25% to more than $300 million. About 75% of the ad budget was slated for network and spot TV, with print getting much of the rest.

Toyota will design a new, larger version of the popular Camry for production at its plant in Georgetown, Ky., aiming to export 40,000 annually to Japan in 1992. Within the year the flagship Cressida will be replaced in the U.S. with the Crown, which ranks above Cressida in Japan. Toyota is banking on Crown selling more than Cressida's annual 20,000.

Headquarters

Toyota Motor Sales USA
19001 S. Western Ave.
Torrance, Calif. 90509
(213) 618-4000

Corporate personnel

Yukiyasu Togo, pres; Robert McCurry, exec vp-sales & operations; J. Davis Illingworth, vp-gm, Lexus div.

Marketing personnel

Albert W. Wagner, vp-sales; George Borst, vp-mktg; Jim Olson, vp-external affairs; David Danzer, corp mktg mgr; David Pelliccioni, natl adv mgr; Don Cecconi, natl truck adv mgr; Leo Parente, dealer assn adv mgr; Joseph Tetherow, natl pr mgr. Lexus: Donald V. Esmond, corp sales mgr; Robert Neuman, natl mktg mgr; Richard Anderman, natl adv mgr; Laura Fox, pr mgr.

Brands

Toyota

Ad agency: Saatchi & Saatchi DFS/Pacific, Torrance, Calif. Stuart Upson, chmn-ceo, N.Y.; Jim Lindsey, vice chmn, Southern California; Joe Cronin, pres-ceo, mgmt dir.

Lexus

Ad agency: Team One (Saatchi & Saatchi), El Segundo, Calif. Stuart Upson, chmn-ceo, N.Y.; John Hirschboeck, pres; Tom Cordner, exec vp-creative dir; Scott Gilbert, exec vp-mgmt dir.

Hispanic adv

Ad agency: Conill Advertising, Los Angeles. Carlos Rossi, ceo; Warren Benjamin, exec vp-mgmt dir; Leila Winich, vp-mgmt super; Karl Meyer, sr acct exec; Mario Beguiristain, creative dir.

RANK: 85

UAL Corp.

Elk Grove Village, Ill.
Ad spending: **$127.3** million

U.S. ad spending ($ in thousands)

By media	1989	1988	% chg
Magazine	11,100	7,738	43.4
Sunday magazine	212	281	(24.6)
Newspaper	11,604	9,261	25.3
Outdoor	830	101	719.2
Network TV	40,566	39,843	1.8
Spot TV	9,859	10,829	(9.0)
Syndicated TV	68	0	NA
Cable TV networks	2,468	1,918	28.6
Network radio	1,631	4,060	(59.8)
Spot radio	8,105	7,421	9.2
Measured media	86,441	81,453	6.1
Unmeasured	40,900	38,500	6.2
Total	127,341	119,953	6.2

By top brands	1989	1988	% chg
United Airlines	78,253	73,933	5.8

Sales & earnings ($ in millions)

Worldwide	1989	1988	% chg
Sales	9,794	8,982	9.0
Earnings	324	600	(46.0)

Division sales	1989	1988	% chg
Passenger	8,536	7,723	10.5
Cargo	521	510	2.3
Other	736	749	(1.7)

Annual review

UAL Corp. seems to ricochet from crisis to crisis. The holding company for one of the world's largest airlines, United Airlines, has bounced around for three years emerging from one serious management or stockholders brouhaha only long enough to quickly enter another.

The one constant at United Airlines has been its TV advertising campaign that features exotic spots and the music of George Gershwin's "Rhapsody in Blue." That only means marketing has been put in a holding pattern until ownership can be resolved.

As of this month, the future of UAL's president Stephen M. Wolf, its exec VP-marketing and planning John C. Pope, and orders for additional new planes hinged on whether employees can find someone to lend them enough cash to buy United Airlines.

The employees, whose United Employee Acquisition Corp. hired former Chrysler Vice Chairman Gerald Greenwald, have until Oct. 9 to find financing for their proposed $4.54 billion buyout. If they can, Messrs. Wolf and Pope are out and Mr. Greenwald is in the pilot's seat. The employees have missed one deadline already.

Employees are trying to use loans from aircraft makers as one source of buyout money and have asked the UAL board to temporarily put off any new plane purchases, a move that could have some long-term implications for the line.

In the face of all the boardroom turmoil, it sometimes seems amazing that United could do anything beyond fly its existing routes.

In this year's major strategic thrust, United began flying for the first time to Europe with flights to Frankfurt and Paris. United expects to step up transatlantic flights next year if it gets government approval.

United has been able to add seating to its Pacific routes as new longer range planes arrived, passing Northwest Airlines as the No. 1 carrier in the region.

Receiving one new plane a week has allowed United to expand service while still retiring some older jets. United expects to have 460 planes in service at yearend, up from 429 at the end of 1989.

United had a 16.6% market share of revenue passenger miles through July 1990, unchanged from the same period last year and just behind American Airlines' 17.6%.

Headquarters

UAL Corp.
1200 Algonquin Road
Elk Grove Village, Ill. 60007
(708) 952-4000

Marketing personnel

John C. Pope, exec vp-mktg & planning; John E. Ruhaak, vp-adv & promo; William Alenson, mgr-adv, domestic; William Groundwater, mgr-adv, intl; Patricia Engels, vp-mkt devel (including frequent flyers program); Tom Lagow, sr vp-planning; Kay Hoffman, pres-Mileage Plus Inc; Chris Bowers, vp-genl sales mgr.

Brands

United Airlines

Ad agency: Leo Burnett USA, Chicago. James Thompson, sr vp-acct dir; Steve Crawford, vp-acct dir; John Goad, vp-acct super; Wendy Peters, vp-acct super; Adele Dijulio, acct super.

RANK: 12

Unilever NV

London/Rotterdam
Ad spending: **$604.1** million

U.S. ad spending ($ in thousands)

By media	1989	1988	% chg
Magazine	72,964	84,846	(14.0)
Sunday magazine	1,077	526	104.9
Newspaper	1,989	1,621	22.7
Outdoor	37	724	(94.9)
Network TV	190,394	198,401	(4.0)
Spot TV	60,004	70,273	(14.6)
Syndicated TV	38,942	27,321	42.5
Cable TV networks	7,445	9,054	(17.8)
Network radio	3,611	11,816	(69.4)
Spot radio	1,479	1,521	(2.7)
Measured media	377,941	406,102	(6.9)
Unmeasured	226,200	243,000	(6.9)
Total	604,141	649,102	(6.9)

By top brands	1989	1988	% chg
Vaseline lotions	25,259	23,904	5.7
Surf detergents	20,556	22,284	(7.8)
Wisk laundry detergents	20,115	13,018	54.5
I Can't Believe It's Not Butter spread	18,840	4,778	294.3
Dove soap	18,293	12,598	45.2
Snuggle fabric softeners	17,823	15,983	11.5
Sunlight dishwashing detergents	16,824	16,108	4.4
Close-up toothpaste	15,887	14,143	12.3
Ragu sauces	15,154	19,968	(24.1)
Promise margarine	13,549	11,231	20.6

Sales & earnings ($ in millions)

Worldwide	1989	1988	% chg
Sales	34,434	30,980	11.1
Earnings	1,687	1,510	11.7

U.S.	1989	1988	% chg
Sales	7,426	6,189	20.0
Operating profit	741	509	45.6

Division sales	1989	1988	% chg
Food products	17,220	15,420	11.7
Detergents	7,434	6,762	9.9
Personal products	3,696	2,947	25.4
Specialty chemicals	2,876	2,630	9.4
Other operations	3,299	3,221	2.4

Notes: Sales and earnings figures are converted at the rate of 0.62500 and 0.55249 dollars to the guilder in 1989 and 1988, respectively.

Annual review

For Unilever, it was a year of watching on the sidelines, as new-product rollouts stalled and competitors continued to innovate.

One of its few major product rollouts, Chesebrough-Pond's Ragu Fresh Italian pasta sauces, has been under regulatory review by the FDA for possible mislabeling. At issue is the use of the word "fresh" for a product that uses heat-processing.

Ragu has been a big success for Unilever, grabbing an estimated 8% of the $1 billion-plus spaghetti sauce market in 1989. Lever ended a 20-year relationship between Waring & LaRosa and Ragu, moving its $25 million sauce account to J. Walter Thompson USA, New York.

Rival Procter & Gamble scored gains in the shampoo market with Head & Shoulders Dry Scalp and Pert Plus and ripped apart the detergent market with Tide with Bleach, while Lever's Timotei shampoo remained in a holding pattern. Similarly, a new Triple Action All, created to fight Tide with Bleach, has not left test market.

Lever also has been slow but effective in instituting environmentally safe products, but has watched as competitors rolled out new concentrated-granule detergents in test markets, which have fared significantly better than analysts predicted.

Lever passed on major acquisitions, declining a bid on Schering-Plough's Maybelline. After P&G's acquisition of Noxell Corp. last year, Maybelline suddenly seemed a target for acquisition, possibly by Unilever.

Lever's strength remains in household products. In the $3.8 billion laundry detergent industry, P&G's Tide with Bleach has gained a 10% share of the laundry detergent market since its introduction last year. Before the introduction of Tide with Bleach, Lever's Surf had a 10% share of the category; Surf now has 8% and continues to lose ground. Lever recently began heavy promotional support for the brand, breaking an estimated $50 million ad and promotion campaign. Surf was No. 2, but now has fallen to No. 3 behind Lever's Wisk, which has an 8.6% share of the market. J. Walter Thompson USA broke a new $13 million campaign for Wisk in late 1989, replacing the 22-year-old "ring around the collar" campaign.

Lever's new Triple Action All is being tested in San Francisco with $30 million in ad support at a national rate. All liquid and powder now holds 6% of the market.

This month Lever introduced Wisk Power Scoop in West Coast markets with full national distribution expected in 1991. The product, its first superconcentrated detergent in the U.S., is expected to draw more than $50 million in advertising during the launch, sampling and couponing. J. Walter Thompson USA handles. This is the first powder marketed under the Wisk name. P&G is testing its own superconcentrates under Tide, Cheer, Gain and Oxydol names.

Lever has had little impact on the $1 billion shampoo industry. Its Faberge Organics has dropped from a 2.3% share in mid-1988 to a 1% share. Lever acquired Faberge in July 1989. Its Aqua Net has been flat at 0.5%, according to Jay Freedman, household products analyst for Kidder, Peabody & Co.

Timotei, sold by Lever in 29 countries, was expected to roll from West Coast test markets as early as the summer of 1989, but has not yet appeared nationally.

No. 2 in the bar soap market, Lever may be seeking to chip away at No. 1 P&G by launching Lever 2000 deodorant soap, with J. Walter Thompson USA handling the account. Lever's Dove continues to rise, now at 16% of the market, with Shield dropping 1 share point since 1989. For all brands Lever took 25.5% of the market, about the same as 1988, against P&G's nearly 33%, down slightly.

Lever has kept its toothpaste, dishwasher detergent, fabric softener and light-duty detergent market share at about last year's levels.

Lever, new to the U.S. deodorant industry, is trying to increase its share in the $1.1 billion market, with last year's introduction of Powerstick, a direct competitor of Mennen Speed Stick. Lever also obtained Brut 33 after acquiring Faberge in July 1989. Lever only holds 4.5% of the market with its two brands, while Mennen holds 15.5% with Speed Stick and Real. Unilever ranks No. 1 in the world deodorant market.

Headquarters

Unilever NV
Burger Meester
Vacob Plein 1
300 DK Rotterdam

Unilever US
390 Park Ave.
New York, N.Y. 10022
(212) 888-1260

Corporate media buying

L&L Media (in-house): Joseph E. Campion, pres; Dan Riordan, mgr-network bdcast; Alberta Drumm, Jean Marie Fish, asst mgrs-network; Jeannine Heller, spot super.

Lever Bros.
New York

Marketing personnel

David F. Webb, pres; David B. Sharp, sr vp-mktg; William D. Ecker, category mgr-bar soap; William J. Genter, category mgr-laundry detergents; Gregory Creed, category mgr-laundry additives, hard surface cleaners & environmental; George T. Mayer Jr., dir-mktg devel; Keith D. DeVault, sr vp-sales; Gloria B. Deragon, mktg research dir; Elizabeth C. Crehan, dir-promo svcs; Frank E. Gonda, Jr., dir-creative svcs. Industrial Division: Harold W. Jackson, genl mgr; Riley N. Stone Jr., mgr-mktg & government sales; Robert D. Kneissl, mgr-detergent prods; Carl R. Canter, technical mgr-detergents & toiletries.

Brands

Sunlight dishwashing liquid, Sunlight automatic powder & liquid dishwashing detergents, Caress bar

Ad agency: BBDO, New York. Janet Presley, mgmt rep; Elizabeth Pava, acct super; Sussie Schwartz, acct exec.

Dove soap bar, Surf powder & liquid detergents, Final Touch fabric softener

Ad agency: Ogilvy & Mather, New York. Neve Savage, sr vp-grp dir; Sally Luce, vp-acct dir; Julie Newton, sr vp-creative dir; Chris Quillen, vp-sr art dir; Ray Simko, sr vp-assoc media dir; Beth Le-Masurier, vp-asst media dir.

Concentrated All, liquid All detergents, Snuggle fabric softeners, Shield soap

Ad agency: Lintas:New York. Irene Little, acct super-Snuggle; Bill Vitriol, acct super-Shield; Jerry Olson, acct exec-Snuggle; Kyle Andrew, asst acct exec-All.

Wisk detergent, Lever 2000

Ad agency: J. Walter Thompson USA, New York. Laura Kurzio, acct super; Steve Dworin, mgmt dir; Bill Gross, acct dir.

Professional programs, medical profession adv

Ad agency: Sudler & Hennessey, New York. Wayne Traub, sr vp; Lisa Salaba, acct exec-Lever 2000; JoEllen Morro, acct exec-Dove.

Industrial & institutional products

Ad agency: Richard Lewis Corp., Scaradale, New York. Richard I. Byer, pres.

Subsidiary

Thomas J. Lipton Inc.
Englewood Cliffs, N.J.

Corporate personnel

Blaine R. Hess, pres-ceo; Thomas N. Fuelling, pres-ceo, Lawry's Foods.

Marketing personnel

James Reid, sr vp-operations & genl mgmt; Richard P. Kundrat, vp-gm, food svc, bottler & dairy; Angelo S. LaMantia, vp-foods divs; Robert E. Livingston, vp-sales div; Anthony G. Montuori, vp-mktg support; E. Russell Sherwood, vp-beverage div; Max J. Ballard, sr vp-mktg & sales, gold bond; John M. Heil, vp-grocery mktg, Lawry's foods; Robert K. Norfleet, genl mgr-continental foods; David P. Bell, dir-media & consumer svcs, new prods coord; Bruce Belowich, dir-prod mgmt, soups & side dishes; Michael Cullen, dir-prod mgmt, infusions; J. Peter Deeb, dir-merch & promo planning; Linea Johnson, dir-prod mgmt, convenience beverages; Stewart Krentzman, dir-prod mgmt, condiments & snacks; Theodore Labiner, dir-creative svcs; Joseph Russo, dir-mkt research.

■ Brands

Teas, convenience teas, soup mix, Cup-A-Soup
Ad agency: Lintas:New York. Steven W. Norcia, grp exec vp; Doug Harting, sr vp-mgmt super.

Side dishes
Ad agency: Young & Rubicam, New York. Robert Gleckler, sr vp-mgmt super.

Sunkist Fruit Snacks, Nintendo Fruit Snacks, Wyler's Fruit Mixes
Ad agency: FCB/Leber Katz Partners, New York. David Roethgen, sr vp-mgmt dir.

Wish-Bone Salad Dressings
Ad agency: Sudler & Hennessey, New York. Lisa Blumenstein, sr vp-acct super.

Lawry's Foods
Ad agency: Dailey & Associates, Los Angeles. Brian Morris, exec vp.

Popsicle Brand Frozen Treats, Mickey's Parade Ice Pops, Mickey Mouse Bars, Gold Bond Brand Frozen Treats
Ad agency: Grant/Jacoby, Chicago. John H. Willie, sr vp-acct grp mgr.

Foodservice
Ad agency: Warner, Bicking, & Fenwick, New York. J.A. Morris, pres.

■ Division

Van den Bergh Foods
New York

■ Corporate personnel

John E. Mueller, pres-ceo; John O'C. Nugent, sr vp-Consumer Prods. Grp.

■ Marketing personnel

Consumer Prods. Grp.: Michael E. Bauer, vp-mktg; Linda Jackson-Smith, Thomas A. Murano, Rajan W. Nagarkar, mktg mgrs; Lynn Johnson, dir-mktg research; Myrna F. Schreibman, sr prom devel mgr. Professional Mkts. Grp.: N. Ron Bowen, sr vp; H. Dennis Smith, dir-comms; John Shepard, dir-mktg, foodservice; Lawrence E. Werner, dir-mktg, bakery.

■ Brands

Mrs. Butterworth's syrups, Mrs. Butterworth's pancake & waffle mixes
Ad agency: BBDO, New York. Janet Presley, mgmt rep; Patricia Smith, acct exec; Kathleen Lynch, asst acct exec.

Promise spread, I Can't Believe It's Not Butter
Ad agency: McCann-Erickson, New York. Wendy Kein, acct super.

Shedd's Country Crock spreads, Country Crock cheese products, Mrs. Filbert's margarine & salad products, Imperial, Ala Mode
Ad agency: Stone & Simons, Southfield, Mich. Christopher Gaffield, exec vp; Howard Dembs, vp-acct super.

Imperial margarine
Ad agency: Lintas:New York. Stephanie Becker, sr vp-mgmt super; Ned Russell, vp-acct super; Lisa Pachnos, acct exec; Al Colello, Betty Fitterman, creative dirs; Donna Campanella, sr vp-grp media dir; Sue Chisholm, vp-assoc media dir.

■ Division

Ragu Foods
Trumbull, Conn.

■ Marketing personnel

Arthur P. Gonis, pres-ceo; John W. Rice, vp-mktg; Natalie Danysh, grp prod mgr-spaghetti sauce; Frances Bainor-Ebner, grp prod mgr-marinades, tenderizers & pizza sauce; Sheryl Roth-Rogers, grp prod mgr-new prods; Robert Spessard, vp-sales.

■ Brands

Ragu spaghetti sauces, Pizza Quick sauces, Adolph's tenderizers & marinades, new products
Ad agency: J. Walter Thompson USA, New York.

■ Division

Calvin Klein Cosmetics Co.
New York

■ Corporate personnel

Kimberly Delsing, pres-ceo; Paulanne Mancuso, sr vp-sales; Joseph Sardella Jr., sr vp-cfo, finance, operations, human resources & mgmt info systems; Sam Ghusson, vp-operations; Edwin T. Halsch, vp-finance & admin.

■ Marketing personnel

Carmen Dubroc, sr vp-mktg; Lisa Greenblatt, vp-mktg; Linda Doherty, mktg dir-Obsession, Obsession for Men & Calvin; Diana Waldron, mktg dir-new fragrances; Terry Burstein, intl mktg mgr-Eternity & Eternity for Men; Annmarie Ieraci, mktg mgr-Eternity & Eternity for Men; Sarah Williams, intl mktg mgr-Obsession, Obsession for Men & Calvin; Robert Green, sr dir-adv; Jeannie Means, adv dir.

■ Brands

Obsession, Obsession for Men
Ad agency: Chiat/Day/Mojo, New York. Michael Smith, creative dir; Mary Maroun, mgmt super.

■ Division

Elizabeth Arden Inc.
New York

■ Corporate & in-house adv personnel

Joseph F. Ronchetti, pres; Joseph X. Spellman, exec vp-mktg devel & creative svcs; Michael Brillhart, exec vp-intl; N. Paul Masturzo, exec vp-gm, US; Bryan H. Janney, vp-gm, BethCo Parfums; Debra C. McDonough, dir-pr & sales promo.

■ Marketing personnel

Paulette Dufault, vp-adv & creative svcs; James B. Miner, vp-mktg, Elizabeth Arden; Thomas Moloney, vp-mktg, BethCo Parfums Intl.; Clare A. Cain, dir-mktg devel, fragrance; Victoria Connell, dir-mktg devel, makeup.

■ Division

Chesebrough-Pond's Inc.
Greenwich, Conn.

■ Marketing personnel

Robert Sheasby, vp-mktg; Mike Conner, grp prod mgr-color cosmetics; Gary Fraser, grp prod mgr-oral hygiene; Linda Nash, grp prod mgr-hair care; Steve Walton, grp prod mgr-deodorant & toiletries; Keith Weed, grp prod mgr-skin care; Michael Goldenberg, grp prod mgr-fragrances; Laura Klauberg, grp prod mgr-special projects; Victor Gaudet, sr vp-sales.

■ Brands

Brut deodorant & fragrance, Power Stick deodorant, Aim toothpaste, Pepsodent Professional toothbrush, Impulse body spray, Luna Mystique, Aziza cosmetics, Cutex cosmetics
Ad agency: Lintas:Worldwide, New York. Terry Rosenquist, grp exec vp; Garth Anderson, sr vp-mgmt super; Lynn Giordano, exec vp-creative dir.

Vaseline Intensive Care lotion, Vaseline Lip Therapy, Vaseline Intensive Care suncare, Vaseline Intensive Care Hand & Nail Formula lotion, Vaseline petroleum jelly, Vaseline Intensive Care bath products
Ad agency: McCann-Erickson, New York. Jeanie Davidson, acct super; Kathy Manning, acct exec.

Rave hair care products, Pond's Cold Cream, Q-tips Cotton Swabs, fragrances: Hero, Windsong, Aviance, Verve, Cachet
Ad agency: Ogilvy & Mather, New York. Julian Clopet, pres-N. America; Serina Williams, acct dir-Pond's & Hero.

Close-Up Toothpaste, Timotei hair care
Ad agency: J. Walter Thompson USA, New York. Lee Polychran, acct rep; Dana Philip, acct super.

RANK: 92

United Telecommunications

Westwood, Kan.
Ad spending: **$121.3 million**

■ U.S. ad spending ($ in thousands)

By media	1989	1988	% chg
Magazine	4,310	1,279	237.0
Newspaper	830	908	(8.6)
Outdoor	245	173	41.3
Network TV	41,445	41,885	(1.1)
Spot TV	8,114	6,614	22.7
Syndicated TV	8,060	1,513	432.8
Cable TV networks	490	317	54.5
Spot radio	0	6	NA
Measured media	63,494	52,696	20.5
Unmeasured	57,800	48,000	20.4
Total	121,294	100,696	20.5
By top brands	**1989**	**1988**	**% chg**
US Sprint Communications Co	41,366	36,117	14.5
US Sprint telephone card	16,122	13,990	15.2
GTE Sprint telephone service	4,370	492	787.9

■ Sales & earnings ($ in millions)

Worldwide	1989	1988	% chg
Sales	7,549	6,493	16.3
Earnings	363	142	155.9
Division sales	**1989**	**1988**	**% chg**
Long distance	4,324	3,405	27.0
Local communications	2,637	2,510	5.1
Complimentary, other	762	699	9.1

■ Annual review

Has AT&T undone US Sprint and its parent, United Telecommunications Inc.?

Stepped up marketing by AT&T early this year and increased marketing by MCI Communications have been credited with slowing Sprint's growth in new residential and small-business customers. AT&T spent $103.8 million (up 25.8%) in national media the first quarter 1990, leading all U.S. brands in advertising, according to LNA/Arbitron.

The slowdown at US Sprint was so dramatic that its parent United Telecom reported a loss of $42 million in the second quarter 1990, precipitating layoffs at US Sprint, reassignment of workers to the sales and marketing divisions and a major ad push by US Sprint this August. US Sprint accounts for more than 95% of United Telecom's spending in national media.

The August ad effort, bearing the Sprint theme, "It's a New World," challenged AT&T's "Get it in Writing" spots, which imply that services rendered by non-AT&T carriers promise a lot but don't deliver. Ads from Sprint say it does put it in writing, offers all the services AT&T offers and does a better job. It encourages AT&T to lighten up. The campaign will run for the next several months, said Jorge Rodriguez, VP-marketing and advertising.

A companion print effort focuses on "the small business advantage," a series of products packaged together to make businesses run more smoothly. The products include 800 services, audio conferencing and Sprint Fax. J. Walter Thompson USA, San Francisco, handles. An aggressive direct mail campaign from Devon Direct, Philadelphia, also is under way.

In 1989, Sprint captured about 8.3% of the long-distance market, up from 7.5% in 1988, following MCI with 12.5% (up from 10.3%) and AT&T with 66.4% (down from 68%), according to Northern Business Information, New York. The total long-distance market, valued at about $55 billion, is expected to grow 8.5% this year over 1989. Sprint was on schedule to up its share to about 9.1% by year-end 1990, but revision may be in order.

During 1989, US Sprint general promotion ad spending dropped significantly to $1.6 million from $12.5 million in 1988 as the company focused on long-lines business and long-distance lines. Spending for long-lines business rose from $5 million to $15 million, mostly in network TV. Long-distance lines were backed with $24 million in media, up 36%, three-quarters of it in network TV.

Sprint still runs its "Pin Drop" ad which stresses the clarity of its fiber optic network.

Sprint's Visa Card debuted in November 1989 offering all the benefits of its FONcard and making Sprint the first national long-distance carrier to market a combination calling card, credit card and cash card. But AT&T early this year launched its Universal Card, promoting it more heavily and starting with a larger customer base. Sprint Telephone Card spending totaled $16.1 million in 1989, up 15%.

The poor second quarter made United Telecom delay its plan to buy the rest of Sprint (19.9%) from GTE. It may now look for investors to share the risk.

■ Headquarters

United Telecommunications
2330 Shawnee Mission Parkway
Westwood, Kan. 66205

■ Corporate personnel

William T. Esrey, chmn-ceo; Kathleen Hughes, vp-corp comms.

■ Division

US Sprint
Kansas City, Mo.

■ Corporate personnel

Ronald T. LeMay, pres-coo; Richard C. Smith, pres-natl mkts; Steven P. Akin, pres-FON mkt grp.

■ Marketing personnel

Jorge L. Rodriguez, vp-mktg & adv; Ann Marshall, dir-direct mktg.

■ Brands

US Sprint
Ad agency: J. Walter Thompson USA, San Francisco. Stephen A. Darland, exec vp-gm; Jon Hyde, exec vp-exec creative dir; Sherry Carniglia, sr vp-deputy gm.

US Sprint direct mktg
Ad agency: Devon Direct Marketing & Advertising, Malvern, Pa. Ronald Greene, Jim Perry, mg dirs; Marianne Croze, vp-mgmt super.

RANK: 52

U.S. Dairy Farmers

Arlington, Va.
Ad spending: **$205.9 million**

■ U.S. ad spending ($ in thousands)

By media	1989	1988	% chg
Magazine	15,599	14,491	7.6
Sunday magazine	379	298	27.4
Newspaper	141	225	(37.2)
Outdoor	894	759	17.7
Network TV	38,251	49,738	(23.1)
Spot TV	36,158	25,472	42.0
Syndicated TV	4,083	3,650	11.9
Cable TV networks	6,528	6,301	3.6
Network radio	5,175	5,088	1.7
Spot radio	4,038	5,005	(19.3)
Measured media	111,245	111,027	0.2
Unmeasured	94,700	94,500	0.2
Total	205,945	205,527	0.2
By top brands	**1989**	**1988**	**% chg**
American Dairy association	47,509	47,952	(0.9)
American Dairy association cheese	22,335	25,005	(10.7)
American Dairy association ice cream	5,064	6,353	(20.3)
Wisconsin cheese	1,122	1,541	(27.2)

■ Annual review

Ad spending by the various dairy marketing agencies was flat to down for 1989 because of the widespread droughts of the late 1980s, but ad and promotional budgets for milk marketers will become $110 million richer this fall when the House gives its expected approval to a farm bill passed this summer by the Senate.

By federal law, raw milk volume determines the total dollars available for dairy product advertising and promotion. Congress first mandated the allotment when it passed the 1983 Dairy & Tobacco Adjustment Act authorizing an assessment to be paid by farmers and co-ops of 15¢ per hundredweight of raw milk produced.

The new farm bill would be funded by a 20¢ fee per hundredweight paid by processors like Borden, Dairymen and Kraft General Foods who buy milk from dairy farmers and then package it for retailers. Funds will be managed by the new National Processor Advertising & Promotion Board (NPAPB) and will focus solely on milk advertising.

The National Dairy Production and Research Board was created by the 1983 act. It is the largest single force in national dairy marketing. It gets at least one-third of the per hundredweight contribution.

Sister state and national dairy-promotion bodies get the remainder, biggest of which is the United Dairy Industry Assn.'s marketing arm, the American Dairy Assn., based in Rosemont, Ill. UDIA is an association of dairy industry sponsors, both farm and processing groups.

The flat landscape for dairy revenues in 1989 resulted in less than a half-cent boost for promotion and research, to $211 million in 1989 from $210 million. Milk funds coming to Arlington, Va.-based NDPRB totaled $75.3 million in 1989, off 2.1%. ADA parent, UDIA, dropped 23.6% in total revenue (including for milk) to $39.6 million.

National Dairy Board led in spending among dairy marketers with $58.9 million in measured advertising. Of the total, network TV dominated at $30 million. Magazines took $12.6 million, and cable and syndicated TV each at $9 million-plus.

By product, NDPRB's biggest expenditure of $20.5 million backed cheese advertising, about half on network TV. Second highest allotment of $14.1 million backed youth milk, with network TV again claiming half.

The ADA's outlays stayed even with 1988 at $48 million, including $31.7 million for milk promotion directed at adults, virtually split between network TV and spot TV. ADA also spends heavily in unmeasured forms, examples of which are its two current-running POP campaigns for cheese: "Cheese Snack Shops," targeted to women, and football-themed "Kick Off the Season With Cheese," featuring TV weatherman Willard Scott.

Other major dairy marketers are California Milk Advisory Board at $18.5 million, down 1%; Wisconsin Milk Marketing Board, $11 million, down 13.7%; Washington Dairy Products Commission, $3.7 million, even with 1988; and the Oregon Dairy Products Commission, $900,000, same as in 1988.

California, which spent $11 million on fluid milk advertising in 1989, hit the market this year with a new milk called Extra Light 1%, containing only 1% butterfat but a high percentage, 11%, of protein and calcium.

■ Headquarters

U.S. Dairy Farmers
National Dairy Promotion
and Research Board
2111 Wilson Blvd, Ste. 600
Arlington, Va. 22201
(703) 528-4000

■ Marketing personnel

Cynthia Carson, ceo; George De Jager, sr vp-mktg & adv; Kathryn M. Klaus, dir-adv programs; Maureen Bergen, dir-adv

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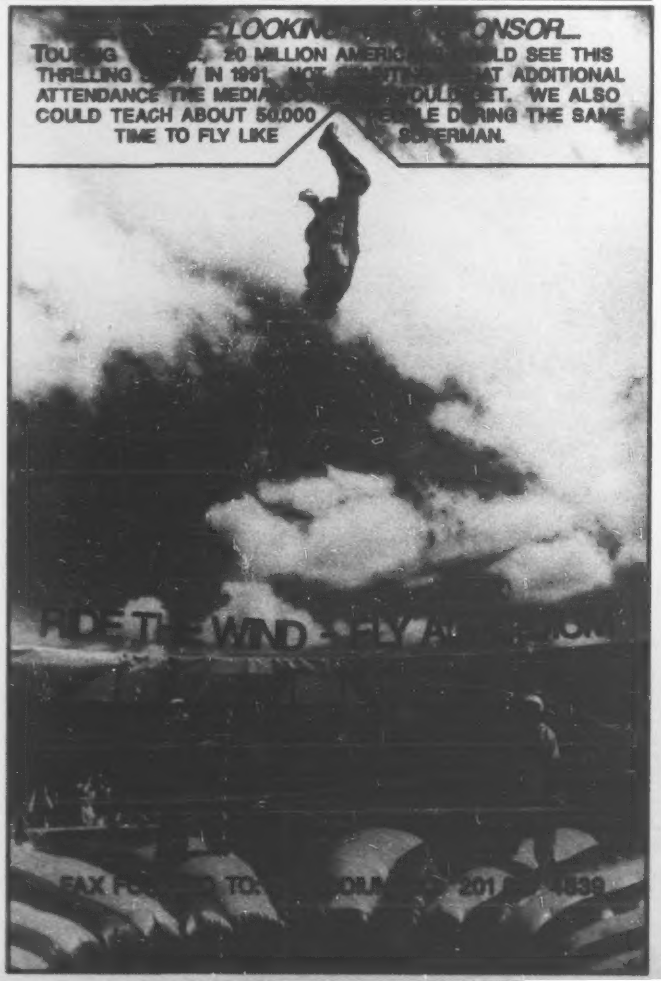
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& research programs; Bill Diggins, sr vp-mkt & economic research; Cathy Perpetua, dir-mkt research; Charles Timpko, Paige Patterson, mgrs-consumer research.

Brands

Adv to health professionals

Ad agency: Bozell Health Care, New York. Anne Petz, acct exec.

Cheese-consumer adv

Ad agency: DDB Needham Worldwide, Chicago. Alan Alexander, sr vp.

Nonfat dry milk, trade adv

Ad agency: Gorman Publishing Co., Chicago. Harry Stagnito, vp.

Butter-consumer & foodservice adv, ice cream-consumer & foodservice adv, cheese-foodservice adv

Ad agency: Grey Advertising, New York. Jordan Rosuck, exec vp.

Calcium, youth milk

Ad agency: McCann-Erickson, San Francisco. Tom Drese, sr vp.

Butter-consumer adv, cheese-consumer adv, non-fat dry milk-ingredient-use

Ad agency: Stricevic & O'Connell, Chicago. Daniel O'Connell, Daniel Stricevic, principals.

American Dairy Association
6300 N. River Road
Rosemont, Ill. 60018
(312) 696-1880

Marketing personnel

M.F. Brink, ceo; Gerald McCann, sr vp-adv & mktg svcs; Grover B. Simpson, vp-mktg svcs, United Dairy Industry Assn.; Stephen A. Dohrmann, vp-mktg planning; Donna A. Arcus, dir-adv svcs.

Brands

Fluid milk, REAL seal, cheese, butter, other dairy foods

Ad agency: D'Arcy Masius Benton & Bowles, Chicago. Ben Bishop, sr vp-grp acct dir; Jim Moser, vp-acct super; Andrea Dichter, acct super.

Foodservice

Ad agency: Noble-Tennant, Chicago. Tim Dorgan, pres-coo; Susan Saltwell, acct super.

California Milk Advisory Board
400 Oyster Point Blvd, Ste. 214
South San Francisco, Calif. 94080
(209) 521-1060

Marketing personnel

Ralph Watts, ceo; Adri Boudewyn, dir-comm svcs.

Brands

Manufactured dairy products

Ad agency: Foote, Cone & Belding, Los Angeles. Harry Lamdseidel, mgmt dir; Dick Taylor, acct exec.

Fluid milk

Ad agency: McCann-Erickson, San Francisco. Jerry Scott, acct super; Michael Freeman, acct exec.

Oregon Dairy Products Commission
10505 S.W. Barbur Blvd.
Portland, Ore. 97219
(503) 229-5033

Marketing personnel

Sheldon Pratt, ceo; Peggy Kern, mktg dir; Lorinda Moholt, dir-comms.

Brands

Cheese, fluid milk

Ad agency: In-house. Peggy Kern, mktg dir.

Washington Dairy Products Commission
1107 NE 45th St.
Seattle, Wash. 98105
(206) 545-6763

Marketing personnel

Jim Cummins, chmn; Walt Mackin, dir-mktg; Doug Simpson, mgr.

Brands

Dairy products

Ad agency: Ehrig & Associates, Seattle. Dick Ehrig, acct super; Steve Matzen, acct exec.

Wisconsin Milk Marketing Board
4337 W. Beltway Hwy.
Madison, Wis. 53711
(608) 271-1021

Marketing personnel

Ric Johnson, dir-mktg; Bill Drew, mgr-cheese mktg & sales; Dave Bavlinka, mgr-fluid milk mktg; Vicky Jones, mgr-adv.

Brands

Cheese

Ad agency: Foote, Cone & Belding Communications, Chicago. Jean MacLaren, mgmt super.

Fluid milk

Ad agency: McCann-Erickson, San Francisco. Jerry Scott, acct super.

Food processing

Ad agency: Kocs Wesson & Associates, Milwaukee. Warren Eulgin, mgmt super.

Dairy product promo

Ad agency: Stephan & Brady, Madison, Wis. Katherine Johnson-Becklin, mgmt super-consumer promo; George Whitely, mgmt super-foodservice promo.

Johnson says it can make a difference

S.C. Johnson this July launched its "We Care for America" environmental campaign, its first such promo involving all Johnson brands, after commissioning a Roper study that found most Americans felt helpless to change the environment.

RANK: 36

U.S. Government

Washington
Ad spending: **$309.5** million

U.S. ad spending ($ in thousands)

By media	1989	1988	% chg
Magazine	43,047	33,436	28.7
Newspaper	18,861	19,885	(5.1)
Outdoor	2,989	11,140	(73.2)
Network TV	57,732	56,491	2.2
Spot TV	30,418	29,825	2.0
Cable TV networks	7,069	2,355	200.2
Network radio	17,790	11,788	50.9
Spot radio	6,473	10,352	(37.5)
Measured media	184,379	175,272	5.2
Unmeasured	125,100	119,000	5.1
Total	309,479	294,272	5.2
By top brands	**1989**	**1988**	**% chg**
U.S. Army	58,654	60,276	(2.7)
U.S. Postal Service	45,213	38,221	18.3
U.S. Armed Forces	23,296	28,356	(17.8)
U.S. Navy	10,230	9,276	10.3
U.S. Marine Corps	4,171	5,115	(18.5)
U.S. Air Force	3,784	3,584	5.6
Housing & Urban Development	2,032	143	NA
U.S. Mint coins	1,782	12,503	(85.7)
U.S. Government departments	1,257	965	30.2
Veterans Administration	1,064	3,608	(70.5)

Annual review

While U.S. Government ad spending rose last year after declining 5.2% in fiscal 1988, most of the increase came from quasi-government advertisers, the U.S. Postal Service and Amtrak, the bulk of whose funds derive from operating revenues, not federal allocations. For that reason, the two haven't been as constrained as the rest of the government from congressional cuts to balance the budget.

The Postal Service raised its spending 9.1% to $49.1 million in fiscal 1989, which began Oct. 1, 1988. The total included $11 million in media spending for philatelic programs, an easy revenue-producer for the USPS. The Postal Service increased TV spending behind popular stamp designs, like dinosaurs.

But the Postal Service has bumpier times ahead. This fiscal year its ad budget fell to $41.9 million and is expected to tumble to $35 million in fiscal 1991. That decrease comes even though the Postal Service next year begins advertising as a worldwide sponsor of the 1992 Olympic Games.

Amtrak continues its "All Aboard Amtrak" campaign via DDB Needham Worldwide, New York, and last year pumped more funding into spot TV. Ad spending rose 45.5% to $35.2 million in 1989.

Remaining the government's largest spender, the Department of Defense in fiscal 1989 increased its recruiting ad budget 1.8% to $205.4 million. That figure includes the Coast Guard. Most of the services' ad spending remained about the same or increased slightly, but the Army, with the largest single service ad budget, saw its spending fall 1.9% to $93.8 million.

The Army is now focusing on budget-stretchers in anticipation of further cutbacks. This year, the Army has a $92 million budget, but in 1991, Army recruiters expect their funding to fall 4.2% to $88.1 million, the lowest level in at least six years.

This fall, because of the impending budget cuts, the Army won't spend as much on TV. Instead, more money will go toward promotional programs, such as a 10-minute video describing the Army experience, which will be shown to school and community groups.

Advertising officials for Army and other Defense Department recruitment don't expect the budget picture to change despite the massive deployment of troops and reserve units to the Persian Gulf. While Congress may ease up slightly on proposed defense cuts, advertising still will be kept lean, they predict.

Of all the services, only the Navy's budget picture has improved dramatically. While funds for 1989 advertising remained stable at $19.4 million (not including Navy reserve spending), in fiscal 1990 the budget jumped 37.1% to $26.6 million. The Navy went back to advertising on TV, a luxury it had been forced to give up several years ago. A new theme, "You and the Navy. Full Speed Ahead," broke in the spring via BBDO, New York. For fiscal 1991, the Navy seeks a $29.7 million budget.

The Marines are currently in the midst of an agency review, to be concluded in January. J. Walter Thompson USA has handled the Marine account since 1946. The budget is sure to shrink. Last year, the Marines spent $17.8 million, a negligible increase from fiscal 1988. For 1990 the budget has fallen to $16.3 million and is expected to decline to $15.4 million next year. Nevertheless, the first new TV spot in three years may be produced this fall, continuing the "few good men" series.

In fiscal 1989, the Air Force's ad budget remained at $14.8 million, but rose 19% this year to $16.3 million. Spending may decline to $15.3 million next year.

The Air and Army National Guard have remained constant in their spending, with $14.3 million allocated to the Army Guard and $3.1 million to the Air Guard in 1989. Spending declined to $13.9 million for the Army and $2.5 million for the Air Guard this year, and will be about the same in 1991.

The Pentagon continues to move away from joint military advertising. The joint campaign's funding dropped 2.6% in 1989 to $26.3 million, and slumped 21.7% in 1990 to $20.6 million. While joint recruiters have asked for $29.7 million in 1991, they said they already know their request won't be honored.

In the past year, joint recruiters shifted more money into magazines, and cut some TV flights.

Headquarters

U.S. Government
Washington, D.C.

Department

Department of Defense

Staff personnel

Lt. Gen. Donald Jones, deputy asst secretary-defense, military manpower & personnel policy.

Marketing personnel

Lt. Col. Martha Cavaiani, USA, acting dir; Lt. Col. Dave Fredrikson, USA, asst dir-adv, contracting officer's rep; Lt. Porsche Gaston, USMC, program adv mgr; Capt. Donna Edwards, USAF, program adv mgr; Lt. Steve Hein, USCG, program adv mgr.

Brands

Joint Recruiting

Ad agency: Grey Advertising, New York. Robert Ravitz, exec vp-mgmt rep; Jim Graham, vp-grp mgmt super; Bill Sandberg, Gary Niebauer, vps-mgmt supers; Jim Battin, vp-mgmt rep, direct response; Leonard Susman, acct super; Sherman Landwehr, business mgr.

Department

Department of the Army

Staff personnel

G. Kim Wincup, asst secretary of Army-manpower & reserve affairs; Lt. Gen. William H. Reno, deputy chief of staff-personnel.

Marketing personnel

Lt. Col. Gregory T. McGuckin, chief-mktg & adv, office of deputy chief of staff-personnel; Capt. Michael I. Roddin, adv program mgr.

Department

U.S. Army Recruiting Command

Staff personnel

Maj. Gen. Jack C. Wheeler, commanding general, U.S. Army Recruiting Command.

Marketing personnel

Col. John C. Myers, dir, adv & sales promo; Thomas Evans, deputy dir, adv & sales promo.

Department

U.S. Army Reserve

Staff personnel

Maj. Gen. William F. Ward, chief-U.S. Army Reserve.

Marketing personnel

Joseph G. Hanley, dir-public affairs & adv, office of chief-Army Reserve.

Department

U.S. Army ROTC

Staff personnel

Gen. John W. Foss, commanding general, U.S. Army Training & Doctrine Command; Maj. Gen. Wallace C. Arnold, commanding general-U.S. Army ROTC Cadet Command.

Brands

U.S. Army, Army Reserve, Army ROTC

Ad agency: Young & Rubicam, New York. John Glorieux, exec vp-mg dir; Bill Green, sr vp-grp dir; Lou DiJoseph, exec vp-creative dir; Bruce Wager, sr vp-media dir; Dori Stern, vp-research dir; Dick Clark, sr vp-dir of government contracting; Ed Menninger, sr vp-sr counselor; Kathi Marks, mgmt super; Chuck Windsor, vp-dir, promo.

Department

U.S. Navy

Marketing personnel

Capt. R.F. Kelly, dir-recruiting adv; Steve Abbott, dir-adv operations div.

Brands

U.S. Navy

Ad agency: BBDO, New York. Bruce Meyers, exec vp-dir, acct svcs; David S. Seal, sr vp-acct dir; Charles MacLachan, acct super.

Department

U.S. Marine Corp.

Marketing personnel

Brig. Gen. Gary Brown, dir-personnel procurement div; Maj. Robert E. Wilson Jr., head-mtkg branch.

Brands

U.S. Marine Corp

Ad agency: J. Walter Thompson USA, Atlanta. Chris Hall, sr vp-grp acct dir; Brent Katzmann, vp-acct super.

Department

U.S. Air Force

Marketing personnel

Brig. Gen. John Salvadore, commander-USAF recruiting svcs; Col. David Kraus, dir-adv & promo; Tim Talbert, chief-adv div; Angela Goral, chief-mgmt div.

Brands

U.S. Air Force

Ad agency: Bozell, New York. Gerret Schwieger, vp-acct grp dir; Doug Laughlin, vp-mgmt rep; Fred Morris, vp-acct super; Lucy Aquinaldo, vp-business mgr.

Department

National Guard

Marketing personnel

Maj. John Runner, chief-Army National Guard recruiting & retention mgmt center; Maj. Jim Martin, Air National Guard recruiting & retention branch.

Brands

National Guard

Ad agency: Bozell, New York. Gerret Schwieger, vp-acct grp dir; Doug Laughlin, vp-mgmt rep; Ron Owens, acct super; Tom Previ, acct exec-Army National Guard; Steve Stern, acct exec-Air National Guard.

Department

Transportation Department
Coast Guard

Marketing personnel

Capt. Juan Salas, chief-recruiting & job entry div; Lt. Cmmdr Peter Ganser, dir-natl adv.

Ad agency: Grey Direct, New York. Eric Redin, acct super.

Department

U.S. Postal Service

Marketing personnel

Dick Stasser, sr asst postmaster genl-mktg & comms; John Wargo, asst postmaster-mktg; Rod DeVar, dir-adv & promo.

Brands

U.S. Postal Service

Ad agency: Young & Rubicam, New York. Richard Kahn, sr vp-grp dir; Bill McGorry, Jack Powers, Janet Bertoldi, vps-acct supers; Gail Dieck, Andrea Norrito, acct execs.

Department

Amtrak

Marketing personnel

William S. Norman, exec vp-mktg & business devel; Timothy Gardner, vp-passenger mktg; Joan E. Wheatley, dir adv & sales promo.

Brands

Amtrak

Ad agency: DDB Needham Worldwide, New York. Roy Lancaster, exec vp-business unit dir; Lauren Berger, sr vp-mgmt super; Wendy Urquhart, vp-acct super; Cheryl Callan, acct super.

Department

U.S. Mint

Marketing personnel

Dave Pickens, dir-mktg; Mrs. Michael Burke, mktg officer.

Brands

American Eagle Coin, Eisenhower Coin

Ad agency: Grey Advertising, New York. Robert Ravitz, exec vp-mgmt rep; Edith Wollin, vp-mgmt super.

RANK: 80

Volkswagen AG

Troy, Mich.
Ad spending: **$131.9** million

U.S. ad spending ($ in thousands)

By media	1989	1988	% chg
Magazine	20,829	29,134	(28.5)
Sunday magazine	164	1,557	(89.5)
Newspaper	6,594	6,937	(4.9)
Outdoor	33	64	(48.7)
Network TV	21,727	29,741	(26.9)
Spot TV	21,915	16,337	34.1
Syndicated TV	1,117	916	21.9
Cable TV networks	4,391	1,658	164.8
Network radio	8,300	1,744	375.8
Spot radio	7,251	10,162	(28.6)
Measured media	92,322	98,250	(6.0)
Unmeasured	39,600	42,100	(5.9)
Total	131,922	140,350	(6.0)
By top brands	**1989**	**1988**	**% chg**
Volkswagen cars	52,484	57,420	(8.6)
Audi cars	22,756	29,785	(23.6)
Audi car leasing	9,427	77	NA

Sales & earnings ($ in millions)

Worldwide	1989	1988	% chg
Sales	34,823	27,771	25.4
Earnings	553	446	23.9
U.S.	**1989**	**1988**	**% chg**
Sales	2,868	3,335	(14.0)

Notes: Sales and earnings figures are converted at the rate of 0.53285 and 0.57220 dollars to the mark in 1989 and 1988, respectively.

Annual review

Despite the introduction of a new sports car, the Volkswagen Corrado, sales of Volkswagen of America slipped for the fifth straight year in 1989.

The German importer sold 154,933 v hicles in 1989, down 7.1% from 198 including 133,650 VWs and 21,283 Aud both down 7%. The company's share the U.S. import market fell from 5.5% 4.8%, and its share of the total U.S. ma ket slipped from 1.6% to 1.57%.

VW's continued decline led it th March to introduce a playful new ca paign to reposition VW cars as havi good value and European quality. A played on the difficulty of pronounci "fahrvergnugen." The German wo loosely translates to "the joy of driving.

The company also introduced this A gust the Passat Satisfaction Guarant test program backed by an estimated $ million-$20 million campaign to dri sales for its new upscale midsized seda the Passat ($14,800 list price). VW of cials said the car had 97% customer sat faction, but only 7,109 units were sold the first half of 1990. The program, sch duled to run until Oct. 31, provides a fu refund within 30 days or 3,000 miles the customer is not satisfied.

The satisfaction guarantee progra blended with VW's efforts to resist t industry's reliance on consumer rebat VW, in place of those incentives, lower prices on its VW and Audi lines last fa Audi cut prices by 8.2% and add driver's side airbags.

The introduction last fall of the Co rado, a 140 mph sports car, was back by $7.9 million in measured spending vided between magazines and spot-T Sales of the Corrado were 1,403 yearend.

VW's largest media outlay, $8.4 mi lion, down 45% from 1988, backed t Jetta, which had sales of 55,504, up 8.8 The Golf/GTI pulled $3.4 million, abo the same as in 1988, to push sales more than 100% to 22,247. The big los was the Fox, whose media expenditu fell from $14 million in 1988 to $1.7 m lion in 1989, and car volume dropped by 34% to 37,655. The Cabriolet, intr duced at the end of 1988, sold 9,891 uni on very little advertising.

The National Highway Traffic Safe Administration in June 1989 clear Audi of allegations that mechanical d fects had caused sudden, unintended a celeration in some of its models, attribu ing the cause instead to driver error.

The controversy damaged Audi sale which declined 44% in 1988 from t prior year when the controversy to hold, followed by last year's 7.2% drop.

Following this exoneration, Audi ran series of ads to emphasize the safety a tributes of its cars, some touting that airbagged Audi 100 fared best in gover ment run crash tests.

Audi will continue its home comput advertising program, in which consume review brief reports on various models participating automakers.

Headquarters

Volkswagen AG
Postfach
D-3180 Wolfsburg 1
West Germany

Volkswagen of America
888 W. Big Beaver Road
P.O. Box 3951
Troy, Mich. 48007-3951
(313) 362-6000

Corporate personnel

William J. Young, vp-Volkswagen U Richard L. Mugg, vp-Audi of America.

Marketing personnel

William A. Gelgota Jr., dir-Volkswage adv; Ben Hilverda, dir-Audi mktg; Ro ald Dusenberry, mgr-Volkswagen ad Robert Garity, mgr-Audi adv.

Brands

Audi, Volkswagen

Ad agency: DDB Needham Worldwid Troy, Mich. Ernest Baker, chmn; Philip Defechereux, exec-vp; Peter Farago, vp-dir, operations & business deve Kathryn King, sr vp-acct dir, genl acct David Hudson, vp-acct dir, Audi; Pet Saad, vp-acct dir, VW; Ken Campbe vp-planning mgr, VW; Charlie Zollo, v acct super, VW-N.Y.; Frank Couzens I vp-acct super, VW; Andy Schmittdie vp-field operations dir, Audi; Stuart H zelwood, acct super-VW; Scott Schof ing, account super-Audi; Zeynep Li dem, planning mgr-Audi; Jim Cora acct exec-VW.

RANK: 86

Wal-Mart Stores

Bentonville, Ark.
Ad spending: **$127.1** million

U.S. ad spending ($ in thousands)

By media	1989	1988	%
Magazine	5,226	7,558	(30
Sunday magazine	7,355	3,354	11

By media	1989	1988	% chg
Newspaper	2 943	1 498	96 5
Outdoor	98	17	473 5
Network TV	227	0	NA
Spot TV	34 706	26 960	28 7
Cable TV networks	672	153	338 9
Network radio	0	7	NA
Spot radio	125	120	3 9
Measured media	51 352	39 667	29 5
Unmeasured	75 700	58 500	29 4
Total	127 052	98 167	29 4

By top brands	1989	1988	% chg
Wal-Mart misc	21 819	13 304	64 0
Wal-Mart apparel	8 683	8 836	(1 7)
Wal-Mart sport toy hobby	7 361	3 524	108 9
Wal-Mart household	4 667	5 762	(19 0)
Wal-Mart drugs & toiletries	2 669	1 172	27 7
Wal-Mart food	2 260	1 875	20 6
Wal-Mart automotive	1 783	3 637	(51 0)

■ Sales & earnings ($ in millions)

Worldwide	1990	1989	% chg
Sales	25 811	20 649	25 0
Earnings	1 076	837	28 5

■ Notes: Fiscal year ended Jan 31 1990

■ Annual review

Sam Walton proved his marketing acumen once again with a challenge to manufacturers to provide "environmentally friendly" packaging for products sold in Wal-Mart discount stores.

The challenge was met a month later by a similar promotion by K mart, an indication of the intensity in the marketing battle waged between Wal-Mart, K mart and Sears, Roebuck & Co.—each of which is expected to hit just over $30 billion in retail sales in 1990.

Wal-Mart announced its environmental program last August in ROP advertising in national newspapers. The ad, addressed to vendors, bore the title: "We're looking for quality products that are guaranteed not to last." Wal-Mart supports vendors who implement such packaging with in-store merchandising.

The project is viewed in Bentonville headquarters as less a marketing strategy than a community project. Individual stores, for example, are invited to participate in the environmental project, resulting in such grass-roots programs as tree-plantings and essay contests. Wal-Mart has since tied its TV image spots to the environmental campaign.

This wasn't the first time Wal-Mart has been aped. K mart and Sears, in fact, last year adopted an "every day low prices" strategy. Wal-Mart popularized the concept in the 1960s. Rising sales at Wal-Mart are related in part to its continued expansion from its Arkansas base. This year it will open more than 160 new discount stores, 25 Sam's Wholesale Clubs and four Supercenters, which feature upwards of 190,000 sq. ft. of retail space. In 1989, Wal-Mart opened its fourth, and some suspect its last, Hypermart—a 250,000-sq.-ft. retail/grocery facility and its only venture into food marketing. Wal-Mart moved into Michigan, New Jersey and Wyoming for the first time.

Sales per gross square foot also have advanced with Wal-Mart's expansion—to $250 in 1989 from $231 in 1988.

Wal-Mart maintained a 0.49% advertising-to-sales ratio, the lowest among its retailing peers. Most of the advertising at Wal-Mart is vendor-funded through co-op deals, which holds down ad expenses.

The company concentrated most of its measured spending in 1989 on spot TV, which amounted to $34.7 million, or 68% of total media expenditures. Image and pricing are stressed in TV spots. The medium grew almost 29% in dollar volume in 1989, much of that related to new-market growth.

National Sunday magazine advertising in 1989 more than doubled to $7.4 million, according to LNA/Arbitron. The medium has become a more attractive vehicle as Wal-Mart expands nationally.

In other print advertising, Wal-Mart spent heavily on bi-weekly circulars prepared by its in-house ad department, which also handled newspaper ROP advertising, most typically for markets not covered by Sunday magazines.

Wal-Mart continued to support its 4-year-old "Buy American" campaign with TV image spots and in-store signage and merchandise flagging. Signage reports on the domestic jobs Wal-Mart helps support or restore through its program of finding domestic suppliers for it merchandise.

■ Headquarters

Wal-Mart Stores
702 S.W. Eighth St.
Bentonville, Ark. 72716
(501) 273-4000

■ Corporate personnel

Sam Walton, chmn; David Glass, pres-ceo.

■ Marketing personnel

Paul Highman, vp-mktg; Barbara Brown, dir-ad control; Roger McNitt, dir-mktg & sales promo; Mike Baron, dir-prodn; Parker Hunt, dir-signing; Bob McCurry, dir-interior design; Jim Scibetta, dir-package design.

■ Brands

Automobile, electronics, grand openings, Buy America, pharmaceuticals, photo-finishing, lawn & garden, music & video

Ad agency: Bernstein-Rein Advertising, Kansas City, Mo. Skip Rein, exec vp.

Sam's Wholesale Club, apparel, environmental packaging, shoes, sporting goods

Ad agency: GSD&M, Austin, Texas. Betsy Martin, acct exec.

RANK: 15

Warner-Lambert Co.

Morris Plains, N.J.
Ad spending: **$585.9** million

■ U.S. ad spending ($ in thousands)

By media	1989	1988	% chg
Magazine	26,951	18,883	42 7
Sunday magazine	2,020	1,443	40 0
Newspaper	691	91	659 7
Outdoor	1,639	204	704 3
Network TV	100,826	111,072	(9 2)
Spot TV	24,230	34,498	(29 8)
Syndicated TV	24,743	19,565	26 5
Cable TV networks	3,896	3,340	16 6
Network radio	14,339	16,911	(15 2)
Spot radio	1,042	1,103	(5 6)
Measured media	200,376	207,110	(3 3)
Unmeasured	385,500	398,500	(3 3)
Total	585,876	605,610	(3 3)

By top brands	1989	1988	% chg
Benadryl allergy relief products	22,529	19,409	16 1
Listerine mouthwash	20,368	22,670	(10 2)
Certs mints	16,014	17,590	(9 0)
Trident gum & mints	15,664	18,091	(13 4)
Rolaids antacid	14,878	15,293	(2 7)
Sinutab sinus remedy	12,472	9,830	26 9
Listermint mouthwash	9,938	10,426	(4 7)
Lubriderm lotions	9,717	8,917	9 0
Dentyne gum & mints	9,420	11,576	(18 6)
Efferdent denture cleaner	9,278	9,058	2 4

■ Sales & earnings ($ in millions)

Worldwide	1989	1988	% chg
Sales	4,196	3,908	7 4
Earnings	413	340	21.3

U.S.	1989	1988	% chg
Sales	2,249	2,038	10.4
Operating profit	650	589	10 4

Division sales	1989	1988	% chg
Health care	2,694	2,509	7 4
Gums & mints	1,003	918	9 3
Other prods	499	481	3.7

■ Annual review

What Warner-Lambert Co. added in media ad support for its major brands in 1988 it took away in 1989 as it extended its marketing presence in below-the-line spending—from sampling to heavy sales promotion and direct marketing programs—that pushed its worldwide advertising and promotion budget to $998 million, up 13%.

Listerine, W-L's leading franchise, grew to 30% of market from 26%, aided by a much publicized study that highlighted the brand's plaque-fighting benefits. A direct mail campaign with Listerine coupons was targeted to Viadent and Plax brand users. The brand pulled $20.4 million in media, down 11.3%.

Listermint, which has a 7% share, debuted a new ad campaign stressing the product's ability to strengthen teeth. Scope held 26% of the mouthwash market in 1989 and Plax 12%. A joint promotion for Listerine, Listermint and Efferdent offered holiday trips to Universal Studios Florida. Listermint was backed with $9.9 million in media, down 6.6%.

W-L introduced Halls with Vitamin C and Halls-Plus and Soothers, the first cough tablets with a soothing syrup center. All Halls products were backed with $7.1 million in 1989, down 2.7%, as Halls kept its 5.5% share of the $215 million cough drop market.

Benadryl Plus Nighttime liquid cold relief medication was introduced in late 1989 to extend the allergy medication across categories into the $178 million nighttime liquids segment dominated by Nyquil. New ad spending for this extension and for Benadryl cream and larger budgets for Benadryl Plus allergy tablets helped boost Benadryl media spending 28% to $26 million. The Benadryl line leads the $140 million allergy-relief medication market with a 45% share.

Sinutab also received significant new media support as it added Sinutab Allergy Formula tablets ($4.7 million in media) to the sinus medication line that claims 30% of the $140 million sinus medication market, well ahead of upstart Tylenol Sinus at 18%. Sinutab brand media spending rose to $13 million, up 25%.

W-L this January launched nationally Fresh 'n Brite toothpaste gel for denture wearers, the first major entry in the $170 million denture cleanser market to compete with Block Drug Co.'s Dentu-Creme toothpaste, which holds a 14.7% share of the overall denture cleanser market. New product samples were distributed along with cents-off coupons, many of them in packages of Efferdent, W-L's market-leading denture cleanser.

A Fresh 'n Brite campaign piggybacked the $9 million ad push for Efferdent denture cleanser. Efferdent is the leading tablet cleanser in the market with a 48% share, well ahead of Polident at 26%.

Rolaids, supported by $14.9 million in media, down 4.5%, aggressively promoted its new cherry flavor and Extra Strength products and the calcium-rich, sodium-free line extensions. It maintained its 13% share and No. 4 ranking in the $890 million antacid market led by Maalox's 38%.

Sales of gums and mints reached the billion-dollar milestone in 1989, abetted by new acquisitions from RJR Nabisco—Junior Mints, Charleston Chew!, Sugar Daddy and Sugar Babies.

Sugarfree Dentyne, launched last year in the $900 million sugarless gum segments of the $1.8 billion U.S. chewing gum market, was supported by $4 million in advertising. Overall Dentyne spending reached $9.4 million, down 19%.

Trident, a line backed in 1989 by $15.7 million in media, down 13.3%, introduced Freshmint in June 1990 with a national TV, radio and outdoor campaign that also included sampling and joint promotions with other W-L products. Trident's new 30-second TV spots steer away from cavity prevention claims. In addition, the three existing Trident flavors were reformulated to contain a new sweetener that helps deliver enhanced flavor. Cristal, a nonstick sugarless gum, went into test in July 1990.

Certs, W-L's largest selling mint, increased market share for the second year in a row as it debuted Mini-Mints, a sugarless product. Last September the company broke 15- and 30-second national TV spots for Certs bringing back the "Two mints in one" slogan and adding a new jingle, "Two is better than one."

Candies in test include Choclairs, a chocolate wafer bar; specialty candies featuring Hanna-Barbera's Flintstones and Jetsons; and Splits, a two-flavor hard-roll candy.

Schick introduced Slim Twin disposable razor in 1989 starring professional basketball players, Jim and John Paxson and their brother Mike, a Denver businessman. Cross promotions with S.C. Johnson's Edge shaving cream and a free razor offer were supported by $12 million. Schick's market share moved from 15% to 16% in the $775 million wet razor category dominated by Gillette at 64%, although Gillette's Sensor entry early this year is bound to slice into Schick's share.

■ Headquarters

Warner-Lambert Co.
201 Tabor Road
Morris Plains, N.J. 07950
(201) 540-2000

■ Corporate personnel

Joseph D. Williams, chmn-ceo; Melvin R. Goodes, pres-coo; Lodewijk J.R. De Vink pres-US operations; Robert J. Dircks, exec vp-cfo; Donald E. O'Neill, exec vp-chmn, intl operations.

■ Division

American Chicle Group
Morris Plains, N.J.

■ Corporate personnel

Robert Serenbetz, pres. Robert A.R. Clouston, vp-prod mgmt; Theodore G. Schable, vp-sales; Michael Soriano, vp-mktg svcs.

■ Brands

Trident, Clorets, Bubblicious, Halls, Halls Plus, Chiclets

Ad agency: J. Walter Thompson USA, New York. Jack Morrissey, sr vp-mgmt dir; Melissa Murphy, sr vp; Isabelle Albanese, Jill Jackson, acct supers.

Rolaids, Certs, Sugar-Free Certs, Sugar-Free Certs Mini-Mints, Dentyne, Sugar-Free Dentyne, Junior Mints, Sugar Daddies, Sugar Babies

Ad agency: Young & Rubicam, New York. Arlene Brickner, sr vp-grp dir; John Leonard, sr vp-mgmt super.

■ Division

Consumer Health Products Group
Morris Plains, N.J.

■ Corporate personnel

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Tele-Media (tel´ə mē´d ē ə)

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B. A dual information/promotional service for Sports Illustrated that provided readers with current sports scores as well as information about future magazine issues?

C. A useful, flexible entertainment medium used by ABC Television to provide episode updates to anxious fans of daytime TV?

D. A powerful marketing tool use by Procter and Gamble to provide consumers with product samples, while simultaneously building a customer data base?

E. All of the above?

ANSWER: "E" all of the above

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Raymond P. LeFebvre, pres; L. Russell Moran, vp-prod mgmt; Joseph W. Masse, vp-sales.

Brands

Listerine, Listermint with Fluoride, Lubriderm, Lubriderm Body Bar, Sinutab, e.p.t., Anusol, Personal Touch shaving products, Schick shaving products, Medi-Flu

Ad agency: J. Walter Thompson USA, New York. Jack Morrissey, sr vp-mgmt dir; Adele Finaly, sr vp-acct dir; Matthew Asinari, vp-acct super; Fred Stuart, vp-acct super; Lisa Durels, acct super.

Efferdent

Ad agency: Young & Rubicam, New York (see previous listing).

Consumer adv: Benylin, Benadryl oral, Benadryl topical, Tucks, Caladryl, new products

Ad agency: Sudler & Hennessey, New York. Arthur M. Rosen, exec vp-mg dir; Julie Cook, Paul Gundlach, vp-acct supers; Greg Weed, sr vp-acct super.

Professional adv: Anusol, Benadryl oral, Benadryl topical, Benylin, Caladryl, Tucks, new products

Ad agency: Sudler & Hennessey, New York. Donald Masterson, exec vp-grp dir; Angela Rossetti, sr vp-acct super; Wendy Mantel, sr vp.

RANK: 91

Wendy's International

Dublin, Ohio

Ad spending: **$122.4** million

U.S. ad spending ($ in thousands)

By media	1989	1988	% chg
Newspaper	127	78	63.1
Outdoor	1,441	1,747	(17.5)
Network TV	47,907	49,309	(2.8)
Spot TV	36,509	31,302	16.6
Syndicated TV	3,795	2,885	31.5
Cable TV networks	2,744	902	204.1
Spot radio	585	603	(2.9)
Measured media	93,108	86,826	7.2
Unmeasured	29,300	27,300	7.3
Total	122,408	114,126	7.3

By top brands	1989	1988	% chg
Wendy's restaurants	92,523	86,223	7.3

Sales & earnings ($ in millions)

Worldwide	1989	1988	% chg
Sales	1,070	1,063	0.7
Earnings	30	28	6.8

Division sales	1989	1988	% chg
Retail sales	973	977	(0.4)
Royalties	78	69	12.5
Other	19	17	11.7

Systemwide results	1989	1988	% chg
Company-operated restaurants	973	977	(0.4)
Franchisees	2,063	1,924	7.2
Total systemwide sales	3,036	2,901	4.7

Annual review

In August 1990, Wendy's International began testing a TV commercial in which Senior Chairman of the Board R. David Thomas answers the question that put the restaurant chain on the advertising map in 1984: "Where's the beef?"

Reviving that line signals Wendy's confidence that it is ending the slump it fell into after momentum died for the Clara Peller "Beef" campaign which sent Wendy's sales and profits skyrocketing in 1984 and 1985.

But the return of "Where's the beef?" also signals Wendy's need to use whatever tools it finds at its disposal to grow in a very tough restaurant market.

"We own that line and we should use it. We know where the beef is; it's at Wendy's," said Mr. Thomas, who has served since April 1989 as TV spokesman for the restaurant chain he founded in 1969.

His appearance then, using consumer preference polls to declare "Victory"—the campaign title—in the battle among fast-food chains, was to have been a short-term one. But Wendy's ad recall scores jumped when Mr. Thomas appeared, and he has been featured since.

Wendy's made progress in 1989 toward its goal of financial revitalization. Average net sales for U.S. stores was $789,000, up 4% from $759,000 in 1988 but still below the $871,000 average reported for 1985.

Wendy's ranked third in the hamburger/sandwich category in 1985; it since has slipped to fourth. In 1989, it held an 8.5% share, according to trade publication *Nation's Restaurant News*, still good enough for the No. 4 position (after McDonald's, Burger King and Hardee's). Its share was down slightly from 8.8% in 1988, largely because of the emergence of young but fast-growing competitors like Subway and Rally's.

That very competitive environment in the restaurant industry has forced Wendy's to step up ad and promotion support (up 7% in 1989, compared with a 5% rise the previous year). It followed the industry trend to promotional tie-ins with movies, running programs for its Kids Meals tied to "All Dogs Go to Heaven" in December 1989, and to "Jetsons: The Movie" in July 1990.

Most of Wendy's marketing has been focused on its menu. In October 1989, the chain introduced the Super Value Menu, a selection of items each priced at 99¢. This served two marketing goals: to allow Wendy's to decrease its couponing and to fight a lingering consumer perception that its menu is higher-priced than its competitors'.

Wendy's has cycled several different sandwich options—including hot dogs—on and off the Super Value Menu list to have new items to advertise. In May 1990 it added an item it hopes will be permanent: the higher-priced Dave's Deluxe burger, meant to compete with McDonald's McD.L.T. and Burger King's Whopper.

To meet growing consumer interest in lower cholesterol, Wendy's switched to 100% vegetable oil for cooking fries. Additionally, it planned to add in the fall of 1990 a Grilled Chicken sandwich, and is testing a lower-fat version of its Frosty dessert and low-fat frozen yogurt.

Despite the additions, Wendy's management says it plans to put more ad attention once again on its core menu of burgers.

Robert L. Barney, a top Wendy's exec since the first restaurant opened, retired as chairman-ceo in November 1989. President-COO James Near added the title of ceo.

Headquarters

Wendy's International
P.O. Box 256
4288 W. Dublin-Granville Road
Dublin, Ohio 43017-0256

Marketing personnel

Charles Rath, exec vp-mktg; Emil Brolick, vp-strategic planning & research; Don Calhoon, vp-corp mktg; Dennis Lynch, vp-corp comms; Tom Krause, Bill Long, Bob Stowe, natl mktg mgrs; Tom Hescamp, dir-sales promo.

Brands

Wendy's

Ad agency: Backer Spielvogel Bates Worldwide, New York. Randolph C. Lindell, exec vp.

Ad agency: Backer Spielvogel Bates Worldwide, Dublin, Ohio. Raymond S. Caruso, exec vp-gm; Bob Levitt, sr vp-mgmt rep.

Sales promo

Ad agency: Impact, Chicago. Tom Smart, acct dir.

Public relations

Ad agency: Hill & Knowlton, New York. Peter Fleischer, acct dir.

RANK: 98

Whitman Corp.

Chicago

Ad spending: **$108.4** million

U.S. ad spending ($ in thousands)

By media	1989	1988	% chg
Magazine	1,881	1,763	6.7
Sunday magazine	157	75	110.0
Newspaper	1,055	1,060	(0.4)
Outdoor	87	79	9.7
Network TV	14,275	20,621	(30.8)
Spot TV	35,772	34,642	3.3
Syndicated TV	0	1,382	NA
Cable TV networks	123	184	(33.2)
Network radio	2,965	2,748	7.9
Spot radio	10,065	8,117	24.0
Measured media	66,380	70,669	(6.1)
Unmeasured	42,000	44,700	(6.0)
Total	108,380	115,369	(6.1)

By top brands	1989	1988	% chg
Midas muffler shops	44,714	41,783	7.0
Progresso soup	6,668	6,084	9.6
Van de Kamp fish products	2,848	6,310	(54.9)

Sales & earnings ($ in millions)

Worldwide	1989	1988	% chg
Sales	3,986	3,475	14.7
Earnings	228	174	30.9

U.S.	1989	1988	% chg
Sales	3,337	2,885	15.7
Operating profit	464	441	5.1

Division sales	1989	1988	% chg
Pet	1,802	1,452	24.1
Pepsi General	961	900	6.8
Midas	434	395	9.9
Hussmann	789	728	8.3

Annual review

Whitman Corp. continued to emphasize its Pet Inc., Pepsi-Cola General Bottlers and Midas International divisions by backing each with acquisitions. It also pumped up promotional spending at the expense of media advertising.

Pet Inc. bought Van de Kamp Frozen Foods, the third largest producer of frozen seafood in the U.S., from Grand Metropolitan PLC, and purchased two Canadian companies, Bittner Packers Ltd. and Coorsh Specialty Meats and Salads, the latter complementing Pet's Orval Kent salad unit bought in 1988.

Pepsi-Cola General Bottlers, the largest independent Pepsi bottler in the U.S., acquired three Pepsi and several Dr Pepper franchises that contributed shipments of 5 million cases to total shipments in 1989 of 132 million.

Midas International acquired a chain of Australian muffler shops and expanded to 2,317 shops worldwide in 1989. It has added 39 more shops overseas in 1990.

Whitman reported its worldwide advertising budget increased 5% to $127 million in 1989. U.S. media spending was declining 6.1% to $66.4 million at the same time, according to LNA/Arbitron. The difference was largely U.S. promotional and merchandising activity and some media spending abroad.

Pet introduced in test market last fall a six-item, shelf stable line called Progresso To:Go. The product remains in test.

Whitman snack candy was repackaged into Sampler-style boxes and relaunched with sights on the high-quality snack-candy category. Marketing support included a sweepstakes handled by H.S. Marketing Services, Englewood Cliffs, N.J. and a two-week TV campaign created in-house.

Progresso soups continued to draw the biggest ad expenditures for Pet foods with $6.7 million, same as in 1988. A fall Fiesta promotion for Old El Paso foods included FSIs and POP. Media expenditures for the brand were clipped to $572,000 from $2.8 million in 1988, according to LNA/Arbitron.

Progresso claimed nearly 30% of the $550 million ready-to-serve soup market last year, second only to Campbell Soup. Old El Paso held the lead in the $220 million Mexican food market wth a 31.7% share.

Following the death of Chairman-CEO Karl Bays last November, former Amoco exec James W. Cozad took the helm. Miles L. Marsh, who was elected president-COO, announced earlier this year that Whitman's ad spending for Pet products will nearly triple in 1990 to $41.4 million—most of that in merchandising programs and special promotions.

Breaking tradition, Pet in December named an agency of record for creative work—D'Arcy Masius Benton & Bowles, St. Louis and Los Angeles. Previously, the company assigned work on a project basis only.

While total media spending declined for the second straight year, Midas International increased its ad expenditures from $41.7 million to $44.7 million. The purchase of Van de Kamp added nearly $3 million to Whitman's spending total for the year. Van de Kamp held a 18.1% share in the 1989 frozen seafood market, behind General Mills' Gorton's with 22.6% and Pillsbury's Mrs. Paul's 20.3%.

Headquarters

Whitman Corporation
111 East Wacker Drive
Chicago, IL 60601
(312) 565-3000

Marketing personnel

Wendell W. Larson, sr vp-corp affairs; Charles H. Connolly, vp-corp comms.

Brands

Corp adv

Ad agency: Simmons, Durham, St. Louis.

Adv coordination

Ad agency: John Fox, Inc., Chicago. John Fox, pres.

Division

Pet Inc.
St. Louis

Marketing personnel

Raymond N. Felitto, vp-sales & mktg, US Grocery operations; John Ferguson, vp-mktg, Mexican foods; Syl Stevenson, vp-mktg, Italian foods; Gerald Hayes, vp-mktg, specialty foods; Ted Keller, vp-sales & mktg, health foods; Tom Ellinwood, dir mktg-frozen foods; Jerry Burchyett, vp-sales & mktg, bakery operations; Mary Ellen Roth, vp-sales & mktg, Branded Express Foods.

Brands

Pet Inc.-media placement

Ad agency: Haworth Group, Minnetonka, Minn. Claude Stevens, pres; Tom Siqveland, vp-planning; Dan Douville, media planning; Andrea Luhtanen, mgr-print media.

B&M Baked Beans, Van de Kamp's, Ac'cent, Pet Lite evaporated milk, Hollywood products, Hain products, Old El Paso, Underwood Meat Spreads, Underwood salad singles, Pet Ritz, Downyflake

Ad agency: D'Arcy Masius Benton & Bowles, St. Louis. William Melzer, ceo-mg dir, St. Louis; Charlie Claggett, deputy mg dir-chief creative officer; Steve Kemp, mgmt super, Timothy Lawlor, acct super.

Progresso products

Ad agency: Waring & LaRosa, New York. Joe O'Neill, exec vp-creative dir; Cindy Wilford, vp-acct super; Clark Oliver, sr vp; Michele Monagas, acct exec; Dan McNally, asst acct exec.

Division

Orval Kent Food Company
Wheeling, Ill.

Marketing & in house adv personnel

Claudia Kerbel, vp-adv & promo; J. Vincent Kent, sr vp-sales & mktg.

Brands

Foodservice & deli products, Signature salads, Chilled Selections-fruit, Chilled Case Cuisine entrees

Division

Pepsi-Cola General Bottlers
Chicago

Corporate personnel

Gerald McGuire, pres-ceo; Maynard Nehring, exec vp.

Brands

Regional media planning & placement

Ad agency: Genadco Advertising (in-house), Rolling Meadows, Ill. P.J. McCarthy, vp-adv; Toni Raddi Walsh, gm.

Division

Midas International Corp.
Chicago

Marketing personnel

Russell Richards, sr vp-mktg & frachise operations; Ralph Linder, vp-adv; E. Christian Schoeleb, vp-mktg.

Brands

Midas Muffler Shops, auto services

Ad agency: Wells, Rich, Greene, Chicago. Larry Singer, pres-acct super; Bill McCann, exec vp.

Division

Hussmann Corporation
Bridgeton, Mo.

Marketing personnel

R.E. Lesko, vp-adv & sales promo; C.L. Beach, mgr-adv & sales promo, convenience stores; S.R. Hagler, mgr-adv & sales promo, supermarket grp; C.K. Blalock, mgr-adv & sales promo.

Brands

Refrigeration units

Ad agency: Winfield Advertising Agency, St. Louis. Lynden Anderson, pres-acct exec.

RANK: 89

Wm. Wrigley Jr. Co.

Chicago

Ad spending: **$124.3** million

U.S. ad spending ($ in thousands)

By media	1989	1988	% chg
Magazine	7,115	5,414	31.4
Sunday magazine	564	526	7.1
Outdoor	395	220	79.9
Network TV	54,263	68,175	(20.4)
Spot TV	27,137	26,079	4.1
Syndicated TV	12,203	10,449	16.8
Cable TV networks	8,041	7,075	13.7
Network radio	4,135	4,986	(17.1)
Measured media	113,853	122,924	(7.4)
Unmeasured	10,400	11,200	(7.1)
Total	124,253	134,124	(7.4)

By top brands	1989	1988	% chg
Wrigley's gums	112,998	122,712	(7.9)

Sales & earnings ($ in millions)

Worldwide	1989	1988	% chg
Sales	993	891	11.4
Earnings	106	87	21.7

U.S.	1989	1988	% chg
Sales	674	594	13.4
Operating profit	109	84	29.9

Annual review

Extra, Wm. Wrigley Jr.'s late-arriving entrant in the sugar-free gum category, met with strong sales in 1989 to take the lead in the sugar-free category that now constitutes 42% of the U.S. chewing gum market. Analysts said the new emphasis on sugar-free brands is essential for Wrigley to enjoy continued sales growth.

One of the few gums made with NutraSweet, Extra made its U.S. debut only six years ago. Yet in 1989, it toppled Trident, a 25-year-old Warner-Lambert gum, as the nation's best-selling sugar-free brand.

Extra's U.S. sales were boosted by the introduction of two new Extra flavors, Cinnamon and Winter Fresh, and by a 15% boost in measured ad spending—to $21.5 million—in what was already Wrigley's biggest brand media budget. Trident was supported with $15.6 million in media, down 13.8%.

The aggressive promotion paid off in 1989's third quarter when, as Group VP-Marketing Ronald Cox proclaimed, "We caught 'em (Trident)." Mr. Cox cited market-share gains of 5 points in '89 and another 5 points through mid-1990, and said Extra now holds 43% of the nation's $820 million retail market for sugar-free gum.

Extra's success, according to analyst Richard Elam of Blunt Ellis Loewi Financial, also was spurred by quality improvements such as softer texture, more lasting flavor and lack of unpleasant aftertaste.

The 7.4% drop in Wrigley's measured ad spending for '89 is insignificant, according to Mr. Cox. He said the company buys ads at a longstanding rate tied to sales. "Gum is an impulse-type product. You need constant advertising."

In the sugared gum arena where Wrigley has a 70% share, steady ad spending seems essential if sales are not to drop. Mr. Cox, who claims the company has done better than its competitors in the declining market said, "Our sales aren't down, they're only flat."

Its Amurol subsidiary, which sells novelty gum to children through convenience stores, made a foray into the adult market by purchasing Reed Candy Co.

One topical new campaign touts Wrigley Spearmint gum as a permitted alternative for cigarette smokers. The pilot ads, launched this July in four major airport cities, respond to widespread new smoking retrictions on planes and trains, in offices and public buildings.

Mr. Cox and his colleagues, who are cautiously optimistic about the new campaign, said they take comfort from record sugared-gum sales in Asia, up 25% last year and 39% this year.

Extra, meanwhile, was a hit in Europe and is likely to prove Wrigley's best overseas seller. Analyst Barbara Dirvin of William Blair said, "I expect most of Wrigley's growth over the next five years to be international."

Headquarters

Wm. Wrigley Jr. Co.
410 North Michigan Avenue
Chicago, Ill. 60611
(312) 644-2121

Corporate personnel

William Wrigley, pres-ceo.

Marketing personnel

Douglas S. Barrie, grp vp-intl; Ronald O. Cox, grp vp-mktg; Anthony Cipollina, vp-sales; Gary Bebee, Susan Fox, assist vps-mktg.

Brands

Wrigley brands

Ad agency: BBDO, Chicago. Eric Harkna, pres-ceo; Tonise Paul, sr vp-mgmt super; Jill Brown, vp-acct super; Cheryl Muzinic, acct super; Stacie Boney, acct super.

Division

Amurol Products Co.
Naperville, Ill.

Corporate personnel

A.G. Atwater, pres.

Brands

Amurol products

Ad agency: Leo Burnett USA, Chicago. John Kovas, acct dir; Kathy Warnan, acct super.

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